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 2014

The Board of Directors (the "Board") of Poly Capital Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred as the "Group") for the year ended 31 March 2014 together with comparative figures as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2014

	Notes	**2014** **HK$'000**	2013 HK$'000
Continuing operations			
Revenue	*4*	**1,369,188**	757,600
Cost of sales		**(1,329,498)**	(729,123)
Gross profit		**39,690**	28,477
Net gains/(losses) on investments at fair value through profit or loss	*6*	**411,915**	(67,824)
Other income and gains	*4*	**6,798**	6,479
Selling and distribution costs		**(983)**	(891)
Administrative expenses		**(33,622)**	(22,080)
Finance costs	*5*	**(6,645)**	(1,811)
Impairment loss recognised in respect of loan receivable and other receivable	*6*	**–**	(10,449)
Profit/(loss) before taxation		**417,153**	(68,099)
Taxation	*7*	**(70)**	(1,025)
Profit/(loss) for the year from continuing operations	*6*	**417,083**	(69,124)

	Notes	**2014**	2013
		HK$'000	*HK$'000*
Discontinued operation			
Profit for the year from discontinued operation	*8*	**–**	7,930
Profit/(loss) for the year		**417,083**	(61,194)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**–**	2
Other comprehensive income for the year, net of tax		**–**	2
Total comprehensive income/(expense) for the year		**417,083**	(61,192)
Profit/(loss) for the year attributable to:			
Owners of the Company		**417,083**	(60,928)
Non-controlling interests		**–**	(266)
		417,083	(61,194)
Total comprehensive income/(expense) for the year attributable to:			
Owners of the Company		**417,083**	(60,925)
Non-controlling interests		**–**	(267)
		417,083	(61,192)
Earnings/(loss) per share attributable to owners of the Company	*10*		
From continuing and discontinued operations			
Basic (HK cents per share)		**13.85**	(2.05)
Diluted (HK cents per share)		**13.71**	(2.05)
From continuing operations			
Basic (HK cents per share)		**13.85**	(2.33)
Diluted (HK cents per share)		**13.71**	(2.33)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2014

	Notes	**2014** **HK$'000**	2013 *HK$'000*
Non-current assets			
Property, plant and equipment		**2,169**	3,152
Available-for-sale investment		**18,000**	18,000
Total non-current assets		**20,169**	21,152
Current assets			
Bills receivable	*11*	**125,548**	58,635
Prepayments, deposits and other receivables		**60,481**	50,571
Loans receivable	*12*	**42,233**	72,233
Tax recoverable		**102**	606
Investments at fair value through profit or loss	*13*	**1,301,924**	891,366
Pledged bank deposits		**21,116**	24,981
Cash and bank balances		**313,566**	187,997
Total current assets		**1,864,970**	1,286,389
Current liabilities			
Bills payable	*14*	**9,030**	6,469
Other payables and accruals		**16,905**	21,782
Tax payable		**–**	229
Bank advances for discounted bills	*11*	**119,355**	52,518
Total current liabilities		**145,290**	80,998
Net current assets		**1,719,680**	1,205,391
Total assets less current liabilities		**1,739,849**	1,226,543

	Notes	**2014**	2013
		HK$'000	*HK$'000*
Non-current liabilities			
Notes payable	*15*	**145,717**	95,097
Deferred tax liabilities		**707**	809
Total non-current liabilities		**146,424**	95,906
Net assets		**1,593,425**	1,130,637
Capital and reserves			
Share capital		**342,268**	296,563
Reserves		**1,251,157**	834,074
Total equity		**1,593,425**	1,130,637

Notes:

1. **Significant accounting policies**

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 (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, that are measured at fair values at the end of each reporting period.

2. **Application of new and revised HKFRSs**

In the current year, the Company and its subsidiaries have applied, for the first time, a number of new and revised standards, amendments and interpretations (the "new and revised HKFRSs") (which include all HKFRSs, Hong Kong Accounting Standards ("HKASs") and interpretations) issued by the HKICPA which are effective for the Group's financial year beginning 1 April 2013. A summary of the new and revised HKFRSs are set out as 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
HKFRS (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)	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)	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 13	Fair Value Measurement

HKAS 1 (Amendments) "Presentation of Items of Other Comprehensive Income"

The Group has applied the amendments to HKAS 1 "Presentation of Items of Other Comprehensive Income". The amendments introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, the 'statement of comprehensive income' is renamed as the 'statement of profit or loss and other comprehensive income' and the 'income statement' is renamed as the 'statement of profit or loss'. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either 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 changes. 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 10 "Consolidated Financial Statements"

HKFRS 10 replaces the parts of HKAS 27 "Consolidated and Separate Financial Statements" that deal with consolidated financial statements and HK(SIC) Int – 12 "Consolidation – Special Purpose Entities". HKFRS 10 changes the definition of control such that an investor has control over an investee when (a) it has power over the investee, (b) it is exposed, or has rights, to variable returns from its involvement with the investee and (c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee. Some guidance included in HKFRS 10 that deals with whether or not an investor that owns less than 50% of the voting rights in an investee has control over the investee is relevant to the Group.

HKFRS 12 "Disclosure of Interests in Other Entities"

HKFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of HKFRS 12 has resulted in more extensive disclosures in the consolidated financial statements.

HKFRS 13 "Fair Value Measurement"

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of HKFRS 13 is broad; the fair value measurement requirements of HKFRS 13 apply to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of HKFRS 2 "Share-based Payment", leasing transactions that are within the scope of HKAS 17 "Leases", and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

HKFRS 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the standard in comparative information provided for periods before the initial application of the standard. In accordance with these transitional provisions, the Group has not made any new disclosures required by HKFRS 13 for the 2013 comparative period. Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

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, as described in note 16, the Group disposed of its pharmaceutical business which are 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 2014

	Continuing operations			
	Supply and procurement *HK$'000*	**Provision of finance** *HK$'000*	**Securities investment** *HK$'000*	**Total** *HK$'000*
Segment revenue				
Sales to and income from external parties	**1,352,328**	**11,493**	**5,367**	**1,369,188**
Segment results	**23,584**	**11,109**	**417,282**	**451,975**
Unallocated other income and gains				**1,120**
Unallocated expenses				**(29,297)**
Finance costs				**(6,645)**
Profit before taxation				**417,153**
Taxation				**(70)**
Profit for the year				**417,083**

For the year ended 31 March 2013

	Continuing operations				Discontinued operation	
	Supply and procurement	Provision of finance	Securities investment	Sub-total	Pharmaceutical	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'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)

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 2014 and 2013:

	Hong Kong		**The People's Republic of China (excluding Hong Kong)**		**Total**	
	2014	2013	**2014**	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue						
Sales to and income from external parties	**16,860**	15,626	**1,352,328**	741,974	**1,369,188**	757,600
Other segment information						
Non-current assets	**20,169**	21,152	**–**	–	**20,169**	21,152

Segment revenue reported above represents revenue generated from external parties. There were no inter-segment sales in the current year (2013: nil).

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment results represent the profit/loss earned by each segment which do not include intercompanies income and expenses, unallocated other income and gains, unallocated expenses, finance costs, gain on disposal of subsidiaries and taxation. 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 2014, there were three major customers contributing over 10% of the total sales amounting to approximately HK$354,641,000, HK$181,071,000 and HK$171,416,000 respectively. 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.

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:

	2014	2013
	HK$'000	*HK$'000*
Continuing operations		
Revenue		
Sale of goods	**1,352,328**	741,974
Interest income from provision of finance	**11,493**	10,105
Dividend income on investment in listed equity securities	**4,624**	2,325
Interest income on investment in convertible bonds and interest bearing notes	**743**	3,196
	1,369,188	757,600
Other income and gains		
Bank interest income	**368**	939
Rental income	**780**	488
Compensation received	**4,743**	4,442
Exchange gain	**70**	–
Other income	**837**	610
	6,798	6,479

5. Finance costs

	2014	2013
	HK$'000	*HK$'000*
Continuing operations		
Interest on:		
Notes payable *(note 15)*	**6,645**	1,811

6. Profit/(loss) for the year

	2014	2013
	HK$'000	*HK$'000*
Continuing operations		
The Group's profit/(loss) for the year is arrived at after charging and (crediting):		
Staff costs (including directors' remuneration):		
Wages and salaries	**19,085**	9,953
Pension scheme contributions	**912**	459
Total staff costs	**19,997**	10,412
Auditor's remuneration		
Current year	**720**	720
Under/(over) provision in prior year	**41**	(29)
	761	691
Cost of inventories sold	**1,287,852**	718,205
Depreciation of property, plant and equipment	**1,027**	934
Minimum lease payments in respect of land and buildings	**3,344**	2,503
Impairment loss recognised in respect of loan receivable and other receivable *(note 12)*	**–**	10,449
Impairment loss recognised in respect of a bill receivable *(note 11)*	**258**	–
Impairment loss recognised in respect of an other receivable	**2,075**	–
Net (gains)/losses on investments at fair value through profit or loss:		
Proceeds on sales of listed equity securities investment	**(312,870)**	(391,808)
Less: cost of sales	**293,915**	390,381
Net realised gain on investment in listed equity securities	**(18,955)**	(1,427)
Unrealised (gain)/loss on investments at fair value through profit or loss ("FVTPL")		
– Held for trading	**(334,574)**	63,307
– Designated as at FVTPL	**(58,386)**	5,944
	(392,960)	69,251
Net (gains)/losses on investments at fair value through profit or loss	**(411,915)**	67,824

At 31 March 2014, the Group had no forfeited contributions available to reduce its contributions to pension schemes in future years (2013: nil).

7. Taxation

	2014	2013
	HK$'000	*HK$'000*
Continuing operations		
Current – Hong Kong		
Charge for the year	**177**	240
Over provision in prior years	**(5)**	(24)
	172	216
Deferred tax		
Current year	**(102)**	809
	70	1,025

Hong Kong Profits Tax for the year ended 31 March 2014 was calculated at 16.5% (2013: 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 16.

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

	2013
	HK$'000
Profit for the year from discontinued operation	
Revenue	17,451
Cost of sales	(9,382)
Gross profit	8,069
Other income and gains	66
Selling and distribution costs	(304)
Administrative expenses	(9,941)
Finance costs	(1,924)
Loss before taxation	(4,034)
Taxation	99
Loss after taxation	(3,935)
Gain on disposal of subsidiaries *(note 16)*	11,865
Profit for the year from discontinued operation	7,930
Profit/(loss) for the year attributable to:	
Owners of the Company	8,196
Non-controlling interests	(266)
	7,930
Profit for the year from discontinued operation includes the following:	
Staff costs (including directors' remuneration):	
Wages and salaries	1,005
Pension scheme contributions	322
Total staff costs	1,327
Cost of inventories sold	7,894
Depreciation of property, plant and equipment	3,004
Amortisation of prepaid lease payments	463
Minimum lease payments in respect of land and buildings	1,289
Interest expense on:	
Bank loans and other loan wholly repayable within five years	1,924
Bank interest income	(66)
Gain on disposal of subsidiaries *(note 16)*	(11,865)
Cash flows from discontinued operation	
Net cash used in operating activities	(9,379)
Net cash used in investing activities	(314)
Net cash used in financing activities	(5,161)
Net cash outflows	(14,854)

9. Dividend

The Board does not recommend the payment of any dividend for the year ended 31 March 2014 (2013: nil).

10. Earnings/(loss) per share attributable to owners of the Company

From continuing and discontinued operations

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

	2014	2013
	HK$'000	*HK$'000*
Profit/(loss)		
Profit/(loss) attributable to owners of the Company for the purpose of calculating basic and diluted earnings/(loss) per share	**417,083**	(60,928)

	2014	2013
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings/(loss) per share	**3,011,648**	2,965,534
Effect of dilutive potential ordinary shares:		
Warrants	**30,197**	–
Weighted average number of ordinary shares for the purpose of calculating diluted earnings/(loss) per share	**3,041,845**	2,965,534

Basic and diluted loss per share from continuing and discontinued operations for the year ended 31 March 2013 were the same because exercise of share options and warrants would decrease the loss per share for the year, therefore, anti-dilutive.

From continuing operations

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

	2014	2013
	HK$'000	*HK$'000*
Profit/(loss)		
Profit/(loss) attributable to owners of the Company for the purpose of calculating basic and diluted earnings/(loss) per share	**417,083**	(69,124)

	2014	2013
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings/(loss) per share	**3,011,648**	2,965,534
Effect of dilutive potential ordinary shares:		
Warrants	**30,197**	–
Weighted average number of ordinary shares for the purpose of calculating diluted earnings/(loss) per share	**3,041,845**	2,965,534

Basic and diluted loss per share from the continuing operations for the year ended 31 March 2013 were the same because exercise of share options and warrants would decrease the loss per share for the year, therefore, anti-dilutive.

From discontinued operation

For the year ended 31 March 2013, basic loss per share from the discontinued operation was HK0.12 cent per share (excluding gain on disposal of subsidiaries (note 8)), 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)) and the weighted average number of ordinary shares of 2,965,534,000.

Basic and diluted loss per share from the discontinued operation for the year ended 31 March 2013 were the same because exercise of share options and warrants would decrease the loss per share for the year, therefore, anti-dilutive.

11. Bills receivable

	2014	2013
	HK$'000	*HK$'000*
Bills receivable	**125,548**	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 the bills receivable at the end of the reporting period, based on invoice date, and net of impairment, is as follows:

	2014	2013
	HK$'000	*HK$'000*
Within 30 days	**–**	32,560
31 to 60 days	**–**	22,017
61 to 90 days	**77,554**	2,827
91 to 180 days	**47,994**	973
Over 180 days	**–**	258
Total	**125,548**	58,635

A subsidiary of the Group discounted bills receivable amounting to approximately HK$119,355,000 (2013: HK$52,518,000) to banks in exchange for cash as at 31 March 2014.

Movement of impairment loss recognised:

	2014	2013
	HK$'000	*HK$'000*
Balance at the beginning of the year	**–**	–
Impairment loss recognised during the year	**258**	–
Amount written off during the year as uncollectible	**(258)**	–
Balance at the end of the year	**–**	–

During the year ended 31 March 2014, the Group recognised an impairment loss for a bill receivable of HK$258,000 (2013: nil) which was individually determined to be impaired. The individually impaired receivable was outstanding for more than one year at the end of the reporting period and was considered as uncollectible.

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

	2014	2013
	HK$'000	*HK$'000*
Neither past due nor impaired	**–**	32,560
Less than 1 month past due	**–**	22,017
1 to 3 months past due	**125,548**	3,800
More than 3 months past due	**–**	258
Total	**125,548**	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. Loans receivable

	2014	2013
	HK$'000	*HK$'000*
Loans receivable	**52,233**	82,233
Less: Impairment loss recognised	**(10,000)**	(10,000)
	42,233	72,233

Movement of impairment loss recognised:

	2014	2013
	HK$'000	*HK$'000*
Balance at the beginning of the year	**10,000**	–
Impairment loss recognised during the year	**–**	10,000
Balance at the end of the year	**10,000**	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% (2013: 8% to 36%) 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 respectively totaling HK$10,449,000 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 the 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 had been recognised as an impairment loss during the year ended 31 March 2013.

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

13. Investments at fair value through profit or loss

	2014	2013
	HK$'000	*HK$'000*
Held for trading:		
Equity securities listed in Hong Kong *(note (a))*	**1,278,554**	811,985
Designated as at FVTPL:		
Convertible bonds *(note (b))*	**4,415**	74,183
Interest bearing notes *(note (b))*	**18,955**	5,198
	23,370	79,381
	1,301,924	891,366

Notes:

(a) The listed equity securities investments as at 31 March 2014 and 2013 were classified as held for trading. The fair values of the listed equity securities investments were determined based on the quoted market closing prices available on the Stock Exchange.

(b) The fair values of the convertible bonds were estimated by an independent qualified professional valuer which comprised the sum of fair values of the debt elements and the conversion options embedded to the convertible bonds less the fair values of the redemption options as held by the issuers of the convertible bonds. As at 31 March 2014 and 2013, the fair values of the debt elements were equal to the present values of their expected future cash flows discounted at the required yield, which were determined with reference to the credit rating of the issuers of the convertible bonds and the remaining time to maturity. The fair values of the conversion options embedded to the convertible bonds were estimated by the Binomial Option Pricing Model, which incorporated assumptions not entirely supported by observable market prices or rates.

The fair values of the interest bearing notes as at 31 March 2014 and 2013 were estimated by an independent qualified professional valuer which equal to the present values of their expected future cash flows discounted at the required yield, which were determined with reference to the credit rating of the issuers of the interest bearing notes and the remaining time to maturity.

14. Bills payable

	2014	2013
	HK$'000	*HK$'000*
Bills payable	**9,030**	6,469

Bills payable are non-interest bearing and are normally settled on 60 days term. As at 31 March 2014, the Group had bills payable of approximately HK$9,030,000 (2013: HK$6,469,000), which were ranged from within 30 days to over 180 days.

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

	2014	2013
	HK$'000	*HK$'000*
Within 30 days	**–**	1,195
31 to 60 days	**–**	532
61 to 90 days	**5,147**	2,808
91 to 180 days	**2,339**	961
Over 180 days	**1,544**	973
Total	**9,030**	6,469

15. 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 principal 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. 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.

During the year ended 31 March 2014, the Company further issued notes in the aggregate principal amount of HK$50,000,000 to investors. The notes carry interest at 5% per annum and are to be redeemed on the seventh anniversary from the respective issue dates of the notes.

As at 31 March 2014, the aggregate principal amount of the notes payable was HK$150,000,000 (2013: HK$100,000,000).

The movement of the notes payable for the years ended 31 March 2014 and 2013 are set out below:

	2014	2013
	HK$'000	*HK$'000*
At the beginning of the year	**95,097**	–
Issue of the notes payable	**50,000**	100,000
Transaction cost directly attributable to the notes payable	**–**	(5,100)
	145,097	94,900
Interest charged at effective interest rate from 5% to 5.91% (2013: 5.91%) per annum *(note 5)*	**6,645**	1,811
Interest payable	**(6,025)**	(1,614)
At the end of the year	**145,717**	95,097

16. 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 the loans owed by Poly Fortune and its subsidiaries ("Poly Fortune Group") to the Company and Able Market Profits Limited, a 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 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 2014 (2013: nil).

BUSINESS REVIEW

The Group registered a significant turnaround of its results by reporting a profit attributable to owners of the Company of HK$417,083,000 for the year ended 31 March 2014 (2013: loss of HK$60,928,000) and basic earnings per share of HK13.85 cents (2013: basic loss per share of HK2.05 cents). The profitable results were mainly attributed to the substantial net gain on securities investments recorded by the Group and the improved results delivered by the Group's supply and procurement division and the financing division. For the year under review, the Group reported revenue of HK$1,369,188,000, significantly increased by 81% over last year (2013: HK$757,600,000), and gross profit of HK$39,690,000, rose by 39% compared to the previous year (2013: HK$28,477,000). The surge of the Group's revenue was mainly due to the increase in volume of metal minerals traded by the supply and procurement division, whereas the increase of the Group's gross profit was the combined effect of the additional profit contributed by the supply and procurement division owing to its increased trade volume and the additional operating profit generated by the financing division. The Group recorded total comprehensive income attributable to owners of the Company of HK$417,083,000 for the year under review (2013: total comprehensive expense of HK$60,925,000). During the year ended 31 March 2013, the Group recorded a profit of HK$7,930,000 from the discontinued pharmaceutical operation, the operation was disposed of at a consideration of HK$100,000,000 in November 2012.

Continuing Operations

During the year under review, the Group's supply and procurement division continued to focus on the sourcing, transporting and supplying of metal minerals, recyclable metal minerals and timber logs. When comparing with last year, the division posted an 82% jump in revenue to HK$1,352,328,000 (2013: HK$741,974,000) and a 60% increase in segment profit to HK$23,584,000 (2013: HK$14,703,000). The growth 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 current year. Interest income generated by the financing division amounting to HK$11,493,000, increased by 14% over the prior year (2013: HK$10,105,000) and was mainly due to the higher average amount of loans advanced to customers than last year. The division's segment results turnaround from loss of HK$59,000 in the previous year to profit of HK$11,109,000 in the current year and was mainly a result of the absence of an impairment loss of HK$10,449,000 recognised against a bad debt in last year. The loan portfolio held by the Group amounted to HK$42,233,000 (2013: HK$72,233,000) at the year end.

The Group's securities investment division recorded revenue of HK$5,367,000 (2013: HK$5,521,000) representing dividend from listed equity securities, and interest income from convertible bonds and interest bearing notes. As a whole, the division's results registered a significant turnaround from a loss of HK$62,309,000 in last year to a profit of HK$417,282,000 in the current year. The division's profitable results comprised mainly net unrealised gain of HK$392,960,000 (2013: net unrealised loss of HK$69,251,000) from holdings of listed equity securities, convertible bonds and interest bearing notes measured at fair values at the year end; the net realised gain of HK$18,955,000 (2013: HK$1,427,000) from divesting part of its listed equity securities portfolio; as well as dividend and interest income from convertible bonds and interest bearing notes totaling HK$5,367,000 (2013: HK$5,521,000). During the year under review, the investment sentiments in Hong Kong stock market have improved mainly because of the market perceptions that the economic recovery of the United States and the economic growth of Mainland China are sustainable, as a result, the financial performance of the division improved significantly. At the year end, the Group's securities portfolio comprised mainly listed equity securities in conglomerate company, banking 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 and movies and entertainment company. At the year end, the Group's securities, convertible bonds and interest bearing notes portfolio was valued at HK$1,301,924,000 (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 operation 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 profit or loss and other comprehensive income in the prior year.

Overall Results

For the year ended 31 March 2014, the Group recorded profit attributable to owners of the Company of HK$417,083,000 (2013: loss of HK$60,928,000, including discontinued operation) and basic earnings per share of HK13.85 cents (2013: basic loss per share of HK2.05 cents). The turnaround of the Group's results was mainly due to the substantial segment profit posted by the securities investment division of HK$417,282,000 (2013: loss of HK$62,309,000), and the profitable segment results contributed by the supply and procurement division of HK$23,584,000 (2013: HK$14,703,000) and the financing division of HK$11,109,000 (2013: loss of HK$59,000).

FINANCIAL REVIEW

At 31 March 2014, the Group had current assets of HK$1,864,970,000 (2013: HK$1,286,389,000) and liquid assets comprising cash and short-term securities investments totaling HK$1,615,490,000 (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$1,864,970,000 (2013: HK$1,286,389,000) over current liabilities of HK$145,290,000 (2013: HK$80,998,000), was at a strong ratio of about 12.84 at the year end (2013: 15.88). The Group's bills receivable amounted to HK$125,548,000, increased by 114% over last year (2013: HK$58,635,000) primarily due to the increased trade volume of the Group's supply and procurement business.

The Group's finance cost for the current year represented the effective interest on notes payable to investors. During the year, the Company had issued new notes in the aggregate principal amount of HK$50,000,000 to investors. At 31 March 2014, the Company had notes payable in the aggregate principal amount of HK$150,000,000.

At the year end, equity attributable to owners of the Company amounting to HK$1,593,425,000 (2013: HK$1,130,637,000) and is equivalent to an attributable amount of approximately HK$0.47 (2013: HK$0.38) per share of the Company. The increase in equity attributable to owners of the Company was mainly due to the profit earned by the Group and net proceeds of HK$45,705,000 raised by the Company through issuing approximately 457,046,000 new shares as a result of exercise of warrants.

At 31 March 2014, the Group's indebtedness comprised notes payable and bank advances for discounted bills totaling HK$265,072,000 (2013: HK$147,615,000). The bank advances for discounted bills were denominated in US 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 14% (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 year mainly because of the market perceptions that the economic recovery of the United States and the economic growth of Mainland China are sustainable. Against this backdrop, the Group will continue its existing businesses and will seize new investment and business opportunities with good potentials, though in a prudent and cautious manner, which are expected to bring significant value to the Group.

CORPORATE GOVERNANCE

The Company has 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 2014 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

Prior to 2 January 2014, 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. However, the aforesaid deviation was rectified and code provision A.4.1 has been complied with commencing from 2 January 2014 as the Company has fixed the term of service of each independent non-executive director in their respective appointment letter entered into with the Company. Commencing from 2 January 2014, according to the appointment letter entered into with each of the independent non-executive director, their respective term of service is fixed at a term of twelve-month period which automatically renews for successive twelve-month periods unless terminated by either party in writing prior to the expiry of the term.

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 audited consolidated financial statements of the Company for the year ended 31 March 2014 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 2014, 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, 26 June 2014

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. Huang Zhencheng as Independent Non-executive Directors.

* *For identification purpose only*