SINO RESOURCES GROUP LIMITED

(carrying on business in Hong Kong as Sino Gp Limited)

神州資源集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 223)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014

The board of directors (the "Board") of Sino Resources Group Limited (the "Company", together with its subsidiaries, the "Group") hereby announces the unaudited condensed consolidated results of the Group for the six months ended 30 September 2014 together with the comparative figures of the corresponding period for 2013 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2014

		Six months ended 30 September	
		2014	2013
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Continuing operations			
Turnover	4	**91,064**	40,928
Cost of sales		**(87,339)**	(40,839)
Gross profit		**3,725**	89
Other income	5	**271**	313
Other gains/(losses) – net	5	**21,347**	(372)
Other operating expenses		**(24,824)**	(11,571)
Fair value loss on derivative financial liabilities		**–**	(1,806)
Share of results of associates		**1,786**	–
Profit/(loss) from operating activities		**2,305**	(13,347)
Finance costs	6	**(3,180)**	(2,333)
Loss before tax		**(875)**	(15,680)
Taxation	7	**–**	261
Loss for the period from continuing operations		**(875)**	(15,419)

	Notes	Six months ended 30 September **2014** *HK$'000* **(Unaudited)**	2013 *HK$'000* (Unaudited)
Discontinued operation			
Loss for the period from a discontinued operation	8	**–**	(5)
Loss for the period		**(875)**	(15,424)
Other comprehensive (loss)/income, net of income tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation foreign operations		**(371)**	379
Total comprehensive loss for the period, net of income tax		**(1,246)**	(15,045)
Profit/(loss) for the period attributable to:			
Owners of the Company		**(1,483)**	(14,312)
Non-controlling interests		**608**	(1,112)
		(875)	(15,424)
Total comprehensive income/(loss) for the period attributable to:			
Owners of the Company		**(1,867)**	(14,114)
Non-controlling interests		**621**	(931)
		(1,246)	(15,045)
Loss per share			
From continuing and discontinued operations			
– Basic	10	**(0.04) cents**	(0.62) cents
– Diluted	10	**(0.04) cents**	(0.62) cents
From continuing operations			
– Basic	10	**(0.04) cents**	(0.62) cents
– Diluted	10	**(0.04) cents**	(0.62) cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 September 2014

	Notes	**As at 30 September 2014** *HK$'000* **(Unaudited)**	As at 31 March 2014 *HK$'000* (Audited)
Non-current assets			
Property, plant and equipment		**25,680**	26,134
Interest(s) in an associate(s)		**72,258**	23,904
Goodwill		**46,630**	46,630
Derivative financial assets		**17,940**	17,940
Available-for-sale financial assets		**227,464**	1
		389,972	114,609
Current assets			
Trade receivables	11	**66,822**	1,321
Deposits, prepayments and other receivables	12	**97,966**	95,724
Deposits with banks	13	**10,920**	10,905
Cash and cash equivalents	13	**10,948**	15,170
		186,656	123,120
Assets classified as discontinued operation	8	**–**	–
Total current assets		**186,656**	123,120
Less: Current liabilities			
Trade payables	14	**62,518**	110
Accrued liabilities and other payables	15	**184,390**	174,478
Amount due to a shareholder	16	**17,558**	17,118
Convertible notes	17	**173,500**	173,550
		437,966	365,206
Liabilities directly associated with assets classified as discontinued operation	8	**–**	–
Total current liabilities		**437,966**	365,206

	Notes	As at 30 September 2014 HK$'000 (Unaudited)	As at 31 March 2014 HK$'000 (Audited)
Net current liabilities		**(251,310)**	(242,086)
Total assets less current liabilities		**138,662**	(127,477)
Less: Non-current liabilities			
Promissory notes	18	**69,794**	11,611
		69,794	11,611
Net assets/(liabilities)		**68,868**	(139,088)
Capital and reserves			
Share capital	19	**38,651**	32,515
Reserves		**39,971**	(161,228)
		78,622	(128,713)
Non-controlling interests		**(9,754)**	(10,375)
Total equity		**68,868**	(139,088)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2014

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company is located at Suite 2502, 25/F, No. 9 Queen's Road Central, Central, Hong Kong.

The principal activities of the Company is investment holding. The principal activities of its subsidiaries are engaged as an investing and developing in unconventional gas business, coal trading business and provision of agency services and trading of commodities.

This condensed consolidated interim financial statement has not been audited.

2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") ("Listing Rules"). These condensed consolidated interim financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand (HK$'000) except otherwise indicated.

These condensed consolidated interim financial statements should be read in conjunction with the Group's audited annual financial statements for the year ended 31 March 2014.

The accounting policies and method of computation adopted in the preparation of these condensed consolidated interim financial statements are consistent with those used in the Group's annual financial statements for the year ended 31 March 2014 except that the Group has adopted certain new and revised Hong Kong Financial Reporting Standards ("HKFRSs") (which also include HKASs and Interpretations) as disclosed in Note 3 below.

In preparing these condensed consolidated interim financial statements, the directors have given careful consideration to the future liquidity of the Group in light of the Group's net current liabilities of approximately HK$251,310,000 (31 March 2014: HK$242,086,000). The following items with an aggregate of amount of HK349,658,000 (31 March 2014: HK$349,218,000), which are included in current liabilities, are related to the legal proceedings with Mr. Hung Chen Richael ("Mr. Hung") in the High Court of Hong Kong (the "High Court"): (i) HK$158,600,000 (31 March 2014: HK$158,600,000) was consideration payable for the acquisition of Wealth Gain Global Investment Limited ("Wealth Gain") and its subsidiary (the "Wealth Gain Group"); (ii) HK$17,558,000 (31 March 2014: HK$17,118,000) was shareholder's loan plus interests from Mr. Hung; and (iii) convertible notes of HK$173,500,000 (31 March 2014: HK$173,500,000). The Board of the Company considers the liquidity of the Group is good enough as at 30 September 2014.

In addition, substantial shareholders of the Company, have agreed to provide continuing financial support to the Group. As such, the directors are satisfied that the Group will be able to meet in full its financial obligations as and when they fall due for the foreseeable future. Accordingly, these condensed consolidated interim financial statements have been prepared on a going concern basis.

3. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial information has been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values, as appropriate.

Except as described below, the accounting policies used in the preparation of the interim financial information are consistent with those followed in the preparation of the consolidated financial statements of the Group for the year ended 31 March 2014, included in the annual report of the Group for the year ended 31 March 2014.

(a) Application of new and revised Hong Kong Financial Reporting Standards ("HKFRSs")

The following revised standards and amendment to standard are mandatory for the first time for the financial year beginning on 1 April 2014.

HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets
HKAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting
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The directors anticipate that the application of these new and revised HKFRSs will not have material impact on the unaudited condensed consolidated interim financial statements of the Group.

(b) Standards and amendments in issue but not yet effective

The Group not applied in advance the following new and revised HKFRSs that have been issued are but not yet effective.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle[2]
HKFRS 9	Financial Instruments[3]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosure[3]
Amendments to HKFRS 11	Accounting for Acquisition of Interests in Joint Operations[5]
HKFRS 14	Regulatory Deferral Accounts[4]
HKFRS 15	Revenue from Contracts with Customers[6]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[5]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[5]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contribution[2]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[5]

1 effective for annual periods beginning on or after 1 July 2014, with limited exception

2 effective for annual periods beginning on or after 1 July 2014

3 available for application-the mandatory effective date will be determined when the outstanding phase of HKFRS9 are finalised

4 effective for first annual HKFRS financial statements beginning on or after 1 January 2016

5 effective for annual periods beginning on or after 1 January 2016

6 effective for annual periods beginning on or after 1 January 2017

The Group has not yet applied new and revised HKFRSs that have been issued but not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations.

4. SEGMENT INFORMATION

The Group organised into three operating divisions: unconventional gas business, coal trading business and agency fee and trading of commodities. These divisions are the basis on which the Group reports its segment information.

The three operating and reportable segments are as follows:

Unconventional gas business	Provision of services in connection with unconventional gas and import of technical equipment for the unconventional gas industry
Coal trading business	Trading of coal in the PRC
Agency fee and trading of commodities	Provision of agency services and trading of commodities in the PRC and Hong Kong
Trade shows and exhibition operation	Sales agent to introduce potential exhibitors for exhibition (the operation was discontinued during the year ended 31 March 2014)

Turnover

Turnover represents the aggregate of coal sales and agency fee and commodities sales.

An analysis of the Group's turnover are as follows:

	Six months ended 30 September	
	2014	2013
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Turnover		
Coal sales	**–**	40,928
Agency fee and commodities sales	**91,064**	–
	91,064	40,928

Segment revenues and results

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

For the six months ended 30 September 2014 (Unaudited)

	Continuing operations			
	Unconventional gas business	Coal trading business	Agency fee and trading of commodities	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Turnover				
Turnover from external customers	–	–	91,064	91,064
Result				
Segment (loss)/profit	(2,048)	–	2,433	385
Unallocated income				21,444
Unallocated corporate expenses				(21,310)
Share profit of associates				1,786
Finance costs				(3,180)
Loss before tax				(875)
Taxation				–
Loss for the period				(875)

For the six months ended 30 September 2013 (Unaudited)

	Continuing operations		
	Unconventional gas business	Coal trading business	Consolidated
	HK$'000	*HK$'000*	*HK$'000*
Turnover			
Turnover from external customers	–	40,928	40,928
Result			
Segment loss	(1,762)	(332)	(2,094)
Unallocated income			291
Unallocated corporate expenses			(9,738)
Fair value loss on derivative financial liabilities			(1,806)
Finance costs			(2,333)
Loss before tax			(15,680)
Taxation			261
Loss for the period			(15,419)

Turnover reported above represents revenue generated from external customers. There was no inter-segment sales in the period (six months ended 30 September 2013: HK$Nil).

Segment results represent the (loss)/profit generated by each segment without allocation of corporate expenses, finance costs and income tax expenses. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment measurement.

Segment assets and liabilities

As at 30 September 2014 (Unaudited)

	Continuing operations			Discontinued operation	
	Unconventional gas business	**Coal trading business**	**Agency fee and trading of commodities**	**Trade shows and exhibition operation**	**Consolidated**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Assets					
Segment assets	**42,638**	**77,599**	**64,755**	**–**	184,992
Interests in associates					72,258
Unallocated corporate assets					319,378
					576,628
Liabilities					
Segment liabilities	**2,033**	**130**	**74,114**	**–**	76,277
Unallocated corporate liabilities					431,483
					507,760

As at 31 March 2014 (Audited)

	Continuing operations			Discontinued operation	
	Unconventional gas business	Coal trading business	Agency fee and trading of commodities	Trade shows and exhibition operation	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Assets					
Segment assets	43,111	75,868	377	–	119,356
Interest in an associate					23,904
Unallocated corporate assets					94,469
					237,729
Liabilities					
Segment liabilities	1,449	11,688	110	–	13,247
Unallocated corporate liabilities					363,570
					376,817

For the purpose of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than corporate assets and interest(s) in an associate(s). Goodwill and derivate financial assets are allocated to reportable segments; and

- all liabilities are allocated to reportable segments other than corporate liabilities, amount due to a shareholder, convertible notes, deferred tax liabilities and promissory notes.

Other segment information

	Six months ended 30 September			
	Depreciation and amortisation		Additions to non-current assets	
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Continuing operations:				
Unconventional gas business	**47**	135	**113**	614
Coal trading business	**3**	12	**–**	16
Unallocated	**107**	133	**–**	18
	157	280	**113**	648

Geographical information

The Company is domiciled in Hong Kong. The Group's operations are mainly located in the PRC and Hong Kong and all of the Group's turnover are derived from the PRC and Hong Kong. The following analysis of the Group's turnover by geographical area is disclosed for the periods ended 30 September 2014 and 2013.

	Six months ended 30 September	
	2014	2013
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
The PRC	**2,379**	40,928
Hong Kong	**88,685**	–
	91,064	40,928

The following is an analysis of the carrying amount of non-current assets (excluding derivate financial assets, interest(s) in an associate(s) and available-for-sale financial assets) analysed by the geographical area in which the assets are located:

	Carrying amount of non-current assets	
	As at 30 September 2014	As at 31 March 2014
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
The PRC	**71,312**	71,644
Hong Kong	**998**	1,120
	72,310	72,764

5. OTHER INCOME AND OTHER GAINS/(LOSSES) – NET

	Six months ended 30 September	
	2014	2013
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Other income		
Bank interest income	**22**	29
Sundry income	**249**	284
	271	313
Other gains/(losses) – net		
Net exchange gains	**17**	–
Net loss on disposal of property, plant and equipment	**–**	(372)
Gain on disposal of shares *(Note (i))*	**21,330**	–
	21,347	(372)

Note:

(i) The amount represented the realized and unrealized gains from the share placement of an aggregate of 270,000,000 unreleased consideration shares under the Tri-Party Agreement dated 21 March 2014. On 28 August 2014, the placing price was amended from HK$0.188 to HK$0.275. On 11 September 2014, the first tranche of the share of 142,500,000 shares have been successfully placed at the new placing price of HK$0.275 and the realized gain of HK$11,275,000 was recognised in profit or loss. For the remaining balance of second tranche of share of 127,500,000 shares, unrealized gain of HK$10,073,000 was recognised in profit or loss accordingly. For further details, please refer to the announcements of the Company dared 21 March 2014, 28 August 2014 and 11 September 2014.

6. FINANCE COSTS

	Six months ended 30 September	
	2014	2013
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interests on amounts due to shareholders wholly repayable within five years	**440**	552
Interests on obligations under finance leases wholly repayable within five years	**–**	414
Interest expense on borrowings wholly repayable within five years	**–**	207
Interest expense on convertible notes	**–**	1,157
Imputed interest expenses on promissory notes	**2,740**	–
Other finance costs	**–**	3
	3,180	2,333

7. TAXATION

	Six months ended 30 September	
	2014	2013
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current tax		
– Hong Kong Profits Tax	**–**	–
– PRC Enterprises Income Tax	**–**	–
	–	–
Deferred tax	**–**	(261)
Tax credit for the period	**–**	(261)
Tax credit from continuing operations for the period	**–**	(261)
Tax credit from a discontinued operation for the period	**–**	–
Tax credit for the period	**–**	(261)

Hong Kong profits tax is calculated at 16.5% (six months ended 30 September 2013: 16.5%) on the estimated assessable profit for the period.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

8. DISCONTINUED OPERATION

During the year ended 31 March 2014, the Group decided to discontinue its trade shows and exhibition operation and focus its resources on unconventional gas business and coal and metals trading business. Hence, trade shows and exhibition operation was classified as discontinued operation.

The results of the trade shows and exhibition operation for the period are presented below:

	Six months ended 30 September	
	2014	2013
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Turnover	**–**	–
Other revenue	**–**	–
Other income	**–**	–
Other operating expenses	**–**	(5)
Loss from operating activities	**–**	(5)
Finance costs	**–**	–
Loss before tax	**–**	(5)
Taxation	**–**	–
Loss for the period	**–**	(5)

The major classes of assets and liabilities of the trade shows and exhibition operation classified as discontinued operation as at 30 September 2014 are as follows:

	As at 30 September 2014	As at 31 March 2014
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Assets		
Cash and cash equivalents	**–**	–
Assets classified as discontinued operation	**–**	–
Liabilities		
Accrued liabilities and other payables	**–**	–
Liabilities directly associated with assets classified as discontinued operation	**–**	–
Net liabilities directly associated with the discontinued operation	**–**	–

The cash flows incurred by trade shows and exhibition operation are as follows:

	Six months ended 30 September	
	2014	2013
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Net cash outflows from operating activities	**–**	(5)
Net cash outflows	**–**	(5)

9. DIVIDENDS

The Board of the Company do not recommend a payment of an interim dividend for the six months ended 30 September 2014 (six months ended 30 September 2013: HK$Nil).

10. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

(a) Basic

Basic loss per share is calculated by dividing the loss for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

Continuing and discontinued operations

	Six months ended 30 September	
	2014	2013
	(Unaudited)	(Unaudited)
Loss for the period attributable to owners of the Company *(HK$'000)*	**(1,483)**	(14,312)
Weighted average number of ordinary shares in issue *('000)*	**3,370,318**	2,318,779
Basic loss per share *(HK cents per share)*	**(0.04)**	(0.62)

Continuing operations

	Six months ended 30 September	
	2014	2013
	(Unaudited)	(Unaudited)
Loss for the period attributable to owners of the Company *(HK$'000)*	**(1,483)**	(14,307)
Weighted average number of ordinary shares in issue *('000)*	**3,370,318**	2,318,779
Basic loss per share *(HK cents per share)*	**(0.04)**	(0.62)

Discontinued operation

	Six months ended 30 September 2014 (Unaudited)	2013 (Unaudited)
Loss for the period attributable to owners of the Company *(HK$'000)*	**–**	(5)
Weighted average number of ordinary shares in issue *('000)*	**3,370,318**	2,318,779
Basic loss per share *(HK cents per share)*	**–**	–

(b) Diluted

During the periods ended 30 September 2014 and 2013, the Company's outstanding convertible notes and share options were not included in the calculations of diluted loss per share because the effects of the Company's outstanding convertible notes and share options were anti-dilutive.

11. TRADE RECEIVABLES

According to the credit rating of different customers, the Group allows a range of credit periods not exceeding 180 days to its customers. The aged analysis of the trade receivables is as follows:

	As at 30 September 2014 *HK$'000* **(Unaudited)**	As at 31 March 2014 *HK$'000* (Audited)
0 to 30 days	**34,353**	1,312
31 to 60 days	**31,524**	–
Over 180 days	**945**	–
	66,822	1,312

12. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	As at 30 September 2014 *HK$'000* **(Unaudited)**	As at 31 March 2014 *HK$'000* (Audited)
Deposits	**1,248**	1,246
Prepayments	**5,925**	6,380
Other receivables	**90,793**	88,098
	97,966	95,724

As at 30 September 2014, included in other receivables of HK$10,000,000 (31 March 2014: HK$10,000,000) was the deposits previously paid to the High Court for an injunction order of Mr. Hung, Mega Wealth Capital Limited ("Mega Wealth") and Webright Limited ("Webright").

13. DEPOSITS WITH BANKS AND CASH AND CASH EQUIVALENTS

As at 30 September 2014, the fixed interest rate on deposits with banks of approximately HK$10,920,000 (31 March 2014: approximately HK$10,905,000), with maturity over one month but less than one year is 0.28% per annum (31 March 2014: 0.28% per annum) and deposited into a designated interest-bearing bank account opened into the name of the Company as security for the litigations. The deposits with banks were denominated in HK$.

14. TRADE PAYABLES

The following is an analysis of trade payables by aged based on the invoice date.

	As at 30 September 2014 *HK$'000* **(Unaudited)**	As at 31 March 2014 *HK$'000* (Audited)
0 to 30 days	**31,350**	110
31 to 60 days	**31,058**	–
Over 180 days	**110**	–
	62,518	110

15. ACCRUED LIABILITIES AND OTHER PAYABLES

	As at 30 September 2014 *HK$'000* **(Unaudited)**	As at 31 March 2014 *HK$'000* (Audited)
Accrued liabilities *(Note (i))*	**173,267**	172,433
Other payables	**5,414**	2,045
Deposits received in advance	**5,709**	–
	184,390	174,478

Note:

(i) Included in accrued liabilities of HK$158,600,000 (31 March 2014: HK$158,600,000) was consideration payables for acquisition of the Wealth Gain Group. On 15 December 2009, the Company issued legal proceeding against Mr. Hung in the High Court in connection with the acquisition of the Wealth Gain Group and also filed a statement of claim against Mr. Hung for, inter alia, the rescission of the Agreement on 1 February 2010.

16. AMOUNT DUE TO A SHAREHOLDER

	As at 30 September 2014 *HK$'000* **(Unaudited)**	As at 31 March 2014 *HK$'000* (Audited)
Amount due to Mr. Hung *(Note (i))*	**17,558**	17,118

Note:

(i) The amount due to Mr. Hung is the principal amount and interests and details terms are summarised as follows:

(1) HK$3,000,000 loan is unsecured, bearing interest at a fixed rate of 8% per annum due on 3 December 2009;

(2) HK$8,000,000 loan is unsecured, bearing interest at a fixed rate of 8% per annum due on 8 March 2010; and

(3) HK$1,600,000 advanced is unsecured, non-interest bearing and repayable on demand.

17. CONVERTIBLE NOTES

The carrying values of the liability component of the convertible notes are as follows:

	Convertible Notes 2008 *HK$'000* Current *(Note (i))*	Convertible Notes 2012 *HK$'000* Non-current *(Note (ii))*	**Total** ***HK$'000***
Liability component			
At 1 April 2013 (Audited)	173,500	8,093	**181,593**
Imputed interest expense charged	–	903	**903**
Interest expense payable	–	(460)	**(460)**
Derecognition of convertible notes	–	(8,536)	**(8,536)**
Fair value of convertible notes issued	–	8,415	**8,415**
Conversion of convertible notes	–	(8,415)	**(8,415)**
At 31 March 2014, 1 April 2014 (Audited) and 30 September 2014 (Unaudited)	**173,500**	**–**	**173,500**

Notes:

(i) On 31 March 2008, the Company issued HK$345,000,000 zero coupon convertible notes (the "Convertible Notes 2008") which as part of the consideration for the acquisition of Wealth Gain and its subsidiary (the "Wealth Gain Group"). Aggregate amount of HK$171,500,000 was converted into the ordinary shares of the Company in prior years. The remaining balance of HK$173,500,000 was matured on 30 March 2013, and therefore, the balance was classified as current liabilities. Convertible Notes 2008 matured on 30 March 2013 and the Company did not request the holders for mandatory conversion, therefore the convertible note equity reserve was released to accumulated losses.

The terms of the Convertible Notes 2008 are as follows:

a. convertible at the option of the note holders into fully paid ordinary shares on or after 31 March 2008 and up to and including 30 March 2013 at a conversion price of HK$0.5 per share;

b. redeemable at the option of the Company at 100% of their principal amount at any time and from time to time, by written to notice to redeem the whole or part of the outstanding principal amount of the convertible notes; and

c. convertible at the option of the Company to request the note holders for mandatory conversion of the prescribed amount of the convertible notes on or after the fifth anniversary of the issue date.

The Convertible Notes 2008 do not bear interest on the principal amount of the notes outstanding. The Convertible Notes 2008 will be redeemed on maturity at a value equal to the aggregate of its principal amount outstanding.

The Convertible Notes 2008 are denominated in HK$ which is the same as the functional currency of the note issuing entity. As such, the exercise of the conversion option will give rise to the settlement by the exchange of a fixed amount of cash for a fixed number of shares of the Company. The conversion option is therefore accounted for as an equity instrument and is determined after deducting the liability component and the derivative component from the total proceeds.

The embedded derivatives relating to the Company's early redemption option in Note (b) above which are not closely related to the host contract shall be separately measured and included together with the liabilities component as a financial liability. The fair value of the derivative component is determined based on the valuation using binomial option pricing model. The fair value of the liabilities component is determined based on the valuation performed by Savills using discounted cash flow method. The effective interest rate of the host contract is determined to be 10.5%. The residual amount is assigned as the equity component for the conversion option and was included in the convertible notes equity reserve.

The liability component is carried as a current liability on the amortised cost basis until extinguished or conversion or redemption. The derivative component of the Convertible Notes 2008 is subsequently measured at fair value with changes recognised in the consolidated statement of comprehensive income. The value of the equity component is not remeasured in subsequent years.

On 22 January 2010, the High Court granted an ex parte Injunction Order against Mr. Hung, the Convertible Notes 2008 holder. The Injunction Order provides, among other things, that unless with the approval of the High Court, Mr. Hung must not, either by himself, his servants or agents or otherwise howsoever in any way dispose of or deal with or diminish the value of the Convertible Notes 2008 issued by the Company to Mr. Hung. Detail please refer to "Litigations and Contingent Liabilities" Note(b).

(ii) On 6 July 2012, the Company issued Convertible Notes 2012 at a principal amount of HK$15,000,000 for cash to Growing Around Holdings Limited ("GAHL"), an independent third party. The Convertible Notes 2012 bear an interest of 12% per annum payable in cash semi-annually.

The terms of the Convertible Notes 2012 are as follows:

a. convertible at the option of the note holders into fully paid ordinary shares on up to second anniversary of the issue date at a conversion price of HK$0.2 per share;

b. where the average closing price of the shares of the Company as quoted on the daily quotation sheet of the Stock Exchange for the 180 Days' ACP falls below the conversion price, the conversion price shall adjusted to an amount equal to the higher of (i) the 180 Days' ACP or (ii) the then par value of the shares with effect from 4:30p.m. on the day falling the 180th day after the date of issue of the Convertible Notes 2012;

c. redeemable at the option of the note holder at 100% of the principal amount at any time and from time to time, by written to notice to redeem the whole of the convertible notes; and

d. unless previously converted or purchased or redeemed, any outstanding convertible notes shall be redeemed on the maturity date at the redemption amount which is 100% of the principal amount of the convertible notes by the Company.

Since the 180 Days' ACP fell below the conversion price of HK$0.20, the principal amount of HK$5,325,000 (the "Adjustment") was early redeemed during the year ended 31 March 2013.

On 18 July 2013, GAHL transferred the Convertible Notes 2012 and all rights in respect thereof to Mr. Lin Long (the "Subscriber") pursuant to the captioned terms and conditions therein. GAHL did not convert any part of the Convertible Note 2012 prior to the said transfer. As at 10 July 2013, the interest payable amounts to HK$2,007,360 (the "Payable Interest") have not been settled by the Company. As such, the Adjustment and the Payable Interest prior to the transfer was HK$7,332,360.

On 25 July 2013, the Company and the Subscriber entered into the 2nd supplemental agreement (the "2nd Supplemental Agreement") in respect of proposed amendments to the terms and conditions of the Convertible Notes 2012. Pursuant to the 2nd Supplemental Agreement, the Convertible Notes 2012 has been amended as follow:

a. the Convertible Notes 2012 shall bear an interest at 6% per annum;

b. the Company shall settle the Adjustment and the Payable Interest by way of issue and allotment of 56,840,000 ordinary shares at HK$0.129 per share (the "Replacement Shares") to the Subscriber in lieu of payment in cash; and

c. the conversion price be adjusted to HK$0.129.

Following the issue and allotment of the Replacement Shares, the principal amount of Convertible Notes 2012 is reduced by the amount of the Adjustment from HK$15,000,000 to HK$9,675,000. The note holder is entitled to exercise 75,000,000 ordinary shares at HK$0.129 per share (the "New Conversion Shares").

An extraordinary meeting held on 16 August 2013, it has been approved the changes of terms and condition as well as the allotment and issue of the Replacement Shares and New Conversion Shares. The listing approval was obtained on 19 August 2013. The Subscriber of the Convertible Notes 2012 tendered to the Company a conversion notice to exercise all the conversion rights attaching to the Convertible Notes 2012. The Company has issued and allotted 56,840,000 Replacement Shares and 75,000,000 New Conversion Shares to the Subscriber on 23 August 2013.

The Convertible Notes 2012 exhibits characteristics of an embedded derivatives and is separated from the liability component. On initial recognition, the embedded derivative component of the Convertible Notes 2012 was measured at fair value and presented as derivative financial liabilities. Any excess of proceeds over the amount initially recognised as the embedded derivatives component is recognised as liability component. At each reporting date, the embedded derivative component is remeasured and the change in fair value of that component is recgonised in the consolidated statement of comprehensive income. The fair value of the embedded derivatives have been determined by APAC Asset Valuation and Consulting Limited, an independent firm of professional valuer.

Upon changes of terms and conditions of Convertible Notes 2012 pursuant to the 2nd Supplemental Agreement (i.e. 19 August 2013), the original terms and conditions of Convertible Notes 2012 and the respective derivative financial liabilities were derecognised. The new fair value of Convertible Notes 2012 and derivative financial liabilities were immediately recognised in accordance with the revised terms.

For further details, please refer to the circular dated 1 August 2013.

18. PROMISSORY NOTES

Movements of the promissory notes during the period/year are as follows:

	As at 30 September 2014 *HK$'000* **(Unaudited)**	As at 31 March 2014 *HK$'000* (Audited)
At the beginning of the period/year	**11,611**	–
Fair value of promissory notes issued *(Note (i), (ii)&(iii))*	**64,393**	11,208
Imputed interest expenses charged *(Note (i), (ii), (iii))*	**2,740**	403
Repayment during the period/year *(Note (i), (ii), (iii))*	**(10,252)**	–
Loss on early redemption *(Note (i)&(ii))*	**1,302**	–
At the end of the period/year	**69,794**	11,611

Notes:

(i) On 21 February 2014, the Company issued a two-year non-interest bearing promissory note in the principal amount of HK$20,295,000 ("the PN I") as part of the consideration adjustment under the Fifth Supplemental Agreement of acquisition Zhan Sheng Investments Limited. The fair value of the PN I at the date of issue was estimated to be HK$11,208,000 based on the effective interest rate of 34.6% per annum. As at 30 September 2014, the fair value of the PN I was approximately HK$13,126,000 (31 March 2014: HK$11,514,000).

The PN I is subsequently measured at amortised cost using effective interest method. An imputed interest expenses of approximately HK$1,935,000 was recognised in profit or loss for the period ended 30 September 2014.

During the period ended 30 September 2014, the Company partially settlement of the PN I of HK$252,000 and incurred loss on early redemption of HK$92,000 (31 March 2014: HK$Nil).

(ii) On 18 August 2014, a wholly-owned subsidiary of the Company issued two 18-month interest bearing promissory notes in the principal amount of HK$51,958,000 ("the PN II") and HK$8,542,000 (the "PN III") as part of the consideration under the acquisition Sino United Energy Investment Co., Ltd. The fair value of the PN II and PN III at the date of issue was estimated to be HK$45,056,000 and HK$7,407,000 respectively based on the effective interest rate of 13.07% per annum. As at 30 September 2014, the fair value of the PN II and PN III were approximately HK$35,662,000 and HK$7,260,000 respectively (31 March 2014: HK$Nil).

The PN II and PN III are subsequently measured at amortised cost using effective interest method. An imputed interest expenses for PN II and PN III of approximately HK$680,000 and HK$114,000 were recognised in profit or loss for the period ended 30 September 2014 respectively.

During the period ended 30 September 2014, the wholly-owned subsidiary partially settlement of the PN II of HK$10,000,000 and incurred loss on early redemption of HK$1,210,000 (31 March 2014: HK$Nil).

(iii) On 29 September 2014, the Company issued a one-year non-interest bearing promissory note in the principal amount of HK$13,904,480 ("the PN IV") as part of the consideration under the acquisition Wisdom Orchid Limited. The fair value of the PN IV at the date of issue was estimated to be HK$11,930,000 based on the effective interest rate of 16.5% per annum. As at 30 September 2014, the fair value of the PN IV was approximately HK$11,976,000 (31 March 2014: HK$Nil).

The PN IV is subsequently measured at amortised cost using effective interest method. An imputed interest expenses of approximately HK$11,000 was recognised in profit or loss for the period ended 30 September 2014.

The fair value of the promissory notes at the date of issuance and at the reporting date are determined by the directors of the Company with reference to the valuation performed by APAC Asset Valuation and Consulting Limited, an independent firm of professional valuer using discounted cash flow approach.

19. SHARE CAPITAL

	As at 30 September 2014 (Unaudited)		As at 31 March 2014 (Audited)	
	Number of shares	**Amounts**	Number of shares	Amounts
	'000	***HK$'000***	*'000*	*HK$'000*
Authorised:				
Ordinary shares of HK$0.01 each	**6,000,000**	**60,000**	6,000,000	60,000
Issued and fully paid:				
At beginning of the period/year	**3,251,562**	**32,515**	2,062,353	20,623
Placing of shares *(Notes (i))*	**–**	**–**	698,470	6,985
Consideration shares *(Notes (ii))*	**613,568**	**6,136**	358,899	3,589
Replacement shares *(Notes (iii))*	**–**	**–**	56,840	568
Conversion of convertible notes *(Note (iii))*	**–**	**–**	75,000	750
At end of the period/year	**3,865,130**	**38,651**	3,251,562	32,515

Notes:

(i) On 21 June 2013, the Company, through a placing agent, placed 412,470,000 shares of par value HK$0.01 each at a placing price of HK$0.08 for a total consideration, before expenses, of HK$32,998,000. The proceeds is utilised by the Group as its general working capital and to finance the future acquisition when investment opportunities arise.

On 6 December 2013, the Company placed to a subscriber of 286,000,000 shares of par value HK$0.01 each at a placing price of HK$0.115 for a total consideration, before expenses, of HK$32,890,000. The proceeds for general working capital purposes and/or financing any potential investment shall such opportunity arises in the future.

(ii) On 4 October 2013, the Company through a wholly-owned subsidiary acquired 30% of the entire issued share capital of Global Mining Engineer Inc. ("Global Mining"). The Company issued 175,182,000 consideration shares (the "GM Consideration Shares") as consideration for the acquisition of Global Mining. The fair value of the GM Consideration Shares, determined based on the closing market price of the Company on the acquisition date of HK$0.147 per share, amounted to approximately HK$25,752,000. The issue of the GM Consideration Shares has resulted in the increase in share capital and share premium account of the Company by HK$1,752,000 and HK$24,000,000 respectively.

On 11 December 2013, the Company signed the fifth supplemental agreement (the "the Fifth Supplemental Agreement") for the amendment of certain terms and condition in relation to the acquisition of Zhan Sheng Investments Limited. The Company issued 183,716,667 as new consideration shares ("New Zhan Sheng Consideration Shares") on 21 February 2014 under the Fifth Supplemental Agreement. The fair value of the New Zhan Sheng Consideration Shares, determined based on the closing market price of the Company on the acquisition date of HK$0.182 per share, amounted to approximately HK$33,436,000. The issue of the New Zhan Sheng Consideration Shares has resulted in the increase in share capital and share premium account of the Company by HK$1,837,000 and HK$31,599,000 respectively.

On 18 August 2014, the Company through a wholly-owned subsidiary acquired 10.5% of the entire issued share capital of Sino United Energy Investment Co., Ltd ("Sino United"). The Company issued 500,000,000 consideration shares (the "Sino United Consideration Shares") as part of consideration for the acquisition of Sino United. The fair value of the Sino United Consideration Shares, determined based on the closing market price of the Company on the acquisition date of HK$0.35 per share, amounted to approximately HK$175,000,000. The issue of the Sino United Consideration Shares has resulted in the increase in share capital and share premium account of the Company by HK$5,000,000 and HK$170,000,000 respectively.

On 29 September 2014, the Company acquired 40% of the entire issued share capital of Wisdom Orchid Limited ("Wisdom Orchid"). The Company issued 113,568,000 consideration shares (the "Wisdom Orchid Consideration Shares") as part of consideration for the acquisition of Wisdom Orchid. The fair value of the Wisdom Orchid Consideration Shares, determined based on the closing market price of the Company on the acquisition date of HK$0.305 per share, amounted to approximately HK$34,638,000. The issue of the Wisdom Orchid Consideration Shares has resulted in the increase in share capital and share premium account of the Company by HK$1,136,000 and HK$33,502,000 respectively.

(iii) On 23 August 2013, the note holder converted all the conversion rights attaching to the Convertible Notes 2012, The Company issued and allotted 56,840,000 Replacement Shares and 75,000,000 New Conversion Shares at the conversion price of HK$0.129 per share. As a result of the conversion, share capital and share premium increased by HK$568,000 and HK$6,764,000 for Replacement Shares and HK$750,000 and HK$11,326,000 for New Conversion Shares respectively.

20. SHARE OPTIONS

Share-based payment transactions

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and/or rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include any directors and employees of the Company, including all executive directors of the Company and its subsidiaries. The Scheme became effective on 8 October 2010 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share option in excess of this limit is subject to shareholders' approval in a general meeting.

The share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their subsidiaries, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK$5,000,000, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 28 days from the date of the offer, upon payment of a nominal consideration of HK$1 in total by the grantee. The exercise period of the share options granted would be determined by the directors.

The exercise price of the share options would be determined by the directors, but may not be less than the higher of (i) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options, which must be a business day; and (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer, provided that the subscription price shall not be lower than the nominal value of the shares.

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the Black-Scholes-Merton option pricing model, taking into account the terms and conditions upon which the options were granted.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meeting.

Movement in share options during the period ended 30 September 2014 are as follows:

Category of Participants	Date of grant *(Note (b))*	Exercisable period *(Note (a))*	Exercisable price per share *HK$*	Number of share options Outstanding at 1 April 2014 (Audited)	Lapsed during period	Outstanding at 30 September 2014 (Unaudited)
Directors						
Ms. Geng Ying	11 February 2011	Period 1	0.36	13,000,000	–	**13,000,000**
	29 November 2012	Period 2	0.105	7,622,000	–	**7,622,000**
				20,622,000	–	**20,622,000**
Mr. Gao Feng	11 February 2011	Period 1	0.36	13,000,000	–	**13,000,000**
	29 November 2012	Period 2	0.105	7,622,000	–	**7,622,000**
				20,622,000	–	**20,622,000**
Mr. Chiu Sui Keung	11 February 2011	Period 1	0.36	13,000,000	–	**13,000,000**
	29 November 2012	Period 2	0.105	7,622,000	–	**7,622,000**
				20,622,000	–	**20,622,000**
Mr. Cheng Wing Keung, Raymond	11 February 2011	Period 1	0.36	1,300,000	–	**1,300,000**
	29 November 2012	Period 2	0.105	762,000	–	**762,000**
				2,062,000	–	**2,062,000**
Mr. Lam Williamson	11 February 2011	Period 1	0.36	1,300,000	–	**1,300,000**
	29 November 2012	Period 2	0.105	762,000	–	**762,000**
				2,062,000	–	**2,062,000**
Mr. Wong Hoi Kuen	29 November 2012	Period 2	0.105	762,000	–	**762,000**
			Sub-total	66,752,000	–	**66,752,000**
Employees of the Group						
In aggregate	11 February 2011	Period 1	0.36	17,100,000	–	**17,100,000**
	29 November 2012	Period 2	0.105	43,944,000	(2,062,000)	**41,882,000**
			Sub-total	61,044,000	–	**58,982,000**
			Total	127,796,000	–	**125,734,000**
Weighted average exercise price (in HK$) *(Note (c))*				0.222	–	**0.22**

Notes:

(a) Period 1 11 February 2011 to 10 February 2016

Period 2 29 November 2012 to 28 November 2017

(b) The vesting date of the share options for Period 1 to 2 is the date of grant.

(c) The exercise prices of the outstanding share options as at 30 September 2014 range from HK$0.105 to HK$0.36 (30 September 2013: range from HK$0.105 to HK$0.36) per share and their weighted average remaining contractual life as at 30 September 2014 is 2.33 years (30 September 2013: 3.34 years).

During the year ended 31 March 2013, the Company granted 71,158,000 share options to the directors and employees (2012: Nil) and the fair value of the share options granted is HK$0.0434 each (2012: HK$Nil). The variables and assumptions used in computing the fair value of share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions. The fair value of the share options granted during the year ended 31 March 2013 was determined by an independent valuer, Savills Valuation and Professional Services Limited, using the Binomial option pricing model (the "Model"). Details of the inputs to the Model are as follows:

	29 November 2012
Grant date share price	HK$0.103
Exercise price	HK$0.105
Expected volatility	50%
Expected life of the options	4.7 years
Dividend yield	0%
Risk-free interest rate	0.25%

21. SHARE AWARD SCHEME

The Board has approved the adoption of the share award scheme ("Scheme") on 11 February 2011 ("Adoption Date"), pursuant to which existing shares will be purchased by the Bank of East Asia (Trustees) Limited ("Trustee") from the market at the cost of the Company and be held in trust for the relevant selected participants ("Selected Participants"). Selected Participants may cover any Director (including executive and non-executive Director), employee, officer, agent, advisor or consultant of the Company and of its subsidiaries.

The purpose of the Scheme are (i) to recognise the contributions by the Selected Participants and to give incentives thereto in order to retain them for the continuing operation and future development of the Group; and (ii) attract suitable personnel for further development of the Group.

If the Board selects a Director as the Selected Participant, the grant of the Awarded Shares to the Director may constitute a connected transaction of the Company. However, since the grant of awarded shares to Director forms part of the remuneration of the relevant Director under his/her service contract, such grant of awarded shares is exempted from all the reporting, announcement and independent Shareholder's approval requirement under Rules 14A.31(6) of the Listing Rules.

For the award of Shares to Selected Participants who are connected persons (excluding Directors), the Company will comply with the relevant provisions of the Listing Rules in relation to the reporting, announcement and independent Shareholders approval requirements. However, any grant to any Director or senior management of the Company must first be approved by the Remuneration Committee.

Subject to any early termination as may be determined by the Board pursuant to the rules relating to the Scheme, the Scheme shall be valid and effective for a term of 10 years commencing on the Adoption Date provided that no further contribution to the Trust shall be made by the Company on or after the 10th anniversary date of the Adoption Date.

On 9 March 2011, the Board approved and transferred HK$5,000,000 to Trustee. As at 30 September 2014, 10,100,000 shares were purchased and held by the Trustee, representing approximately 0.26% of the issued share capital of the Company.

During the period ended 30 September 2014, no award shares have been released to Selected Participants.

23. COMMITMENTS

(a) Capital commitment

As at 30 September 2014, the Group had the following capital commitments:

	As at 30 September 2014 *HK$'000* **(Unaudited)**	As at 31 March 2014 *HK$'000* (Audited)
Authorised and contracted for	**8,000**	16,600

(b) Operating lease commitment

The Group leases certain properties under operating lease commitment. The leases run for an initial period of one to two years (31 March 2014: one to two years) with an option to renew the leases and renegotiate the terms at the expiry date. None of the leases includes contingent rentals.

As at 30 September 2014, the Group had total future minimum lease payments under non-cancellable operating leases in respect of leasehold land and buildings falling due as follows:

	As at 30 September 2014 *HK$'000* **(Unaudited)**	As at 31 March 2014 *HK$'000* (Audited)
Within one year	**2,514**	2,700
In the second to fifth years, inclusive	**1,165**	2,330
	3,679	5,030

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Company has been engaged as an investing and developing in unconventional gas business, coal trading business and provision of agency services and trading of commodities.

The Group has been managing the following businesses:

UNCONVENTIAL GAS BUSINESS

During the period, a subsidiary of the Company signed a cooperation agreement with Heilongjiang Coalfield Geology Department ("HCGD") to test the stimulation work of the two sets of imported equipment for the CBM stimulation work in the cities of Hegang. A drilling team from HCGD is preparing a well for testing and the well will expect to be completed in fourth quarter of 2014.

COAL TRADING AND TRADING OF COMMODITIES BUSINESS

During the period, the coal trading business remained weak due to ongoing sluggish demand caused by a slowing economy and policies of the Chinese Government to reduce overcapacity in the steel sector and to restructure the country's energy mix away from coal. Thus management continued to take a more cautious and conservative approach towards sales orders of coal trading.

In the meantime, management has conducted research and started to reduce its dependence on coal trading and to diversify into services for other commodities trading such as optical fibre cable in overseas and provision of agency services.

FUTURE PROSPECTS

In view of the gloomy coal trading industry in the PRC, the Company will continue taking a conservative approach in its coal trading transactions and will diversify services into provision of agency and commodities trading in overseas. For the unconventional gas business, the Company will continue to cooperate with HCGD and provide technical services on CBM stimulation in Heilongjiang.

On 29 September 2014, the Company completed the acquisition of 40% of equity interest in Wisdom Orchid Limited which is holding entire issued capital of Wisdom Mega Inc Limited, a limited liability company in Hong Kong and Qinglong Manchu Autonomous County Shuangxin Mining Co., Ltd, ("the SX Mining") a limited liability company established in the PRC (collectively as "Wisdom Group"). SX Mining is principally engaged in the extraction of iron ores as well as production and sale of iron ore concentrates. SX Mining currently operates two iron ores processing plants located in the Qinglong Manchu Autonomous County, Hebei Province, the PRC; and the iron ore concentrates it produces are mainly sell to steel mills within the province. SX Mining has built up close connections with mine over owners, customers which are mainly steel mills, and local authorities. It has over 10 years of operating history in Hebei Province, and its management team has solid experience in iron ores extraction and processing. Furthermore, there may be synergies created between the Group's existing mine safety business with SX Mining's iron ores extraction business, as safety system could be installed in the iron mines operated by SX Mining. The acquisition is in line with the Company's growth strategies, shall benefit the Company by broadening its business horizon and diversify its revenue sources. Detail of the acquisition refer to the announcement of the Company dated 29 September 2014.

On 27 August 2014, the Company and the Mr. Sze Yee, ("the Vendor") entered into the memorandum of understanding whereby the Company and the Vendor agreed to negotiate in good faith to enter into the formal agreement on the possible acquisition of the 51% issued share capital of the Target Company (to be formed) by the Company from the Vendor ("Possible Acquisition"). The Vendor shall, through the Target Company, indirectly hold 51% of the effective equity interest in 北京君滙港灃科技發展有限公司 ("GFKJ"), a company established in the PRC with limited liability. GFKJ is principally engaged in the installation, management and operation of automatic vending machines for drinks on the public buses in major cities of the PRC. The directors have been actively seeking and identifying further investment and business opportunities in order to maximise the return of the shareholders.

On 18 August 2014, the Company completed the acquisition of 10.5% of the issued share capital of the Sino United Energy Investment Co., Ltd ("Sino United"). Sino United is a limited liability company incorporated under the laws of BVI. The Sino United and its subsidiaries, LOVONKO Co. Ltd ("LOVONKO") and Zhong Lian International Mining Industry Investment Co. Ltd., ("Zhong Lian International"), a limited liability company incorporated under the laws of Mongolia, covers exploration, utilization and trading of mining resources in Mongolia. The directors have been actively seeking and identifying further investment and business opportunities in order to maximize the return of the shareholders. Detail of the acquisition refer to the announcement of the Company dated 18 August 2014.

On 27 June 2013, the Company signed a letter of intent with Qinghai Province Sanjiang Hydropower Development Co. Ltd and Huizhou Yecheng Industry Group Co., Ltd (collectively as “Vendors“) for the proposed acquisition of hydropower. The Vendors are still waiting for the approval from the relevant PRC authorities in connection with PRC restructuring. The Company and the Vendors are still having on-going negotiation on the proposed acquisition and no formal or legally binding agreement has been entered among the parties.

In the future, the Board will continue identifying suitable investment opportunities in the resources and energy sector, in an attempt to maximize the shareholders' return by inorganic growth strategies. Whilst the Company will keep developing its existing businesses, it will also allocate resources and focus on negotiating for new transactions.

RESULTS ANALYSIS

For the six months ended 30 September 2014, the Group recorded turnover of HK$91,064,000 from continuing operations (six months ended 30 September 2013: HK$40,928,000), representing an uplift of over 2 times. The growth was contributed by the agency fee and trading of commodities segment. Increase of the turnover was mainly due to the Group diversified into services for other commodities trading such as optical fibre cable in overseas and provision of agency service.

For the six months ended 30 September 2014, the Group recorded a net loss of approximately HK$875,000 (six months ended 30 September 2013: approximately HK$15,424,000), representing a decrease of 94% and a loss attributable to owners of the Company of approximately HK$1,483,000 (six months ended 30 September 2013: approximately HK$14,312,000) representing a decrease of 90%; basic loss per share for continuing operations was approximately HK$0.04 cents (six months ended 30 September 2013: HK$0.62 cents). Profit from operating activities from continuing operations was approximately HK$2,305,000 (six months ended 30 September 2013: loss approximately HK$13,347,000), representing a turnaround of 5.79 times over last interim period. It was mainly attributable to the realized and unrealized gain on adjustments of placing price of 270,000,000 unreleased consideration shares under the Tri-Party Agreement.

INTERIM DIVIDEND

The Board of the Company did not recommend payment of an interim dividend for the six months ended 30 September 2014 (six months ended 30 September 2013: HK$Nil).

FINANCIAL REVIEW

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group derived its working capital mainly from internal cash flow of operating activities and shares placement.

As at 30 September 2014, surplus on shareholders' funds of the Group aggregately amounted to approximately HK$68,868,000 (31 March 2014: deficit HK$139,088,000). The Group's assets-liabilities ratio (total liabilities to total assets) was approximately 0.88 times (31 March 2014: 1.59 times). Net current liabilities of the Group amounted to approximately HK$251,310,000 (31 March 2014: HK$242,086,000). Current assets of the Group was approximately HK$186,656,000 (31 March 2014: HK$123,120,000), of which deposits with banks, cash and cash equivalents amounted to approximately HK$21,868,000 (31 March 2014: HK$26,075,000) and deposit of HK$10,000,000 (31 March 2014: HK$10,000,000) paid into the High Court for the Injunction Order against Mr. Hung, Mega Wealth and Webright. The following items with an aggregate of amount of HK$349,658,000 (31 March 2014: HK$349,218,000), which are included in current liabilities, are related to the legal proceedings with Mr. Hung in the High Court: (i) HK$158,600,000 (31 March 2014: HK$158,600,000) was consideration payable for the acquisition of Wealth Gain Group; (ii) HK$17,558,000 (31 March 2014: HK$17,118,000) was shareholder's loan plus interests from Mr. Hung; and (iii) convertible notes of HK$173,500,000 (31 March 2014: HK$173,500,000). The Board considers the liquidity of the Group is good enough as at 30 September 2014 and the Group would be net assets position of HK$418,526,000 (31 March 2014: HK$210,130,000) if removal of (i) to (iii).

As at 30 September 2014, the Group's gearing ratio (calculated as total debts to total equity) was 378.8% (31 March 2014: 145.4%).

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND ANY RELATED HEDGES

The Group's sales and purchase are mainly transacted in Hong Kong dollar and Renminbi and the books are recorded in Hong Kong dollar. Therefore, it may be exposed to foreign exchange risk. However in view of the stable currency policies adopted by the PRC government, the directors consider that the foreign exchange risk is insignificant.

The Group currently has no foreign exchange rate hedging policy in respect of commercial transactions denominated in foreign currencies. However, the directors monitor exchange rate exposure regularly and will consider hedging significant exchange rate exposure as and when necessary.

LITIGATIONS AND CONTINGENT LIABILITIES

The Group and the Company

(a) *Claim made by the Company against Hung (the "Action")*

As disclosed in the Company's announcements dated 16 December 2009 and 8 January 2010, the Company has commenced proceedings against Mr. Hung at the High Court with regards to a breach of contract by Mr. Hung, in connection with a sale and purchase agreement dated 25 September 2007 made between the Company and Mr. Hung (the "Agreement"). The Company sought advice from its legal advisers and formed the view that Mr. Hung had failed to perform one or more of the terms of the Agreement and is of the view that Mr. Hung is in breach of numerous representations and warranties under the Agreement. The Company claims against Mr. Hung, among other things, for all payments made by the Company to Mr. Hung under the Agreement and/or damages arising from the breach of the Agreement.

On 1 February 2010, the Company filed a statement of claim at the High Court against Mr. Hung, Mega Wealth and Webright (together referred to as the "Defendants") in connection with the Agreement, for, inter alia, rescission of the Agreement. Particulars of the Statement of Claim are summarised as follows:

(1) The Company claims against Mr. Hung for:

(i) rescission of the Agreement;

(ii) the 76,640,000 shares of the Company ("Shares") at an issue price of HK$0.5 per share;

(iii) the convertible note, issued to Mr. Hung pursuant to the Agreement, in the principal amount of HK$173,500,000 convertible into ordinary shares of the Company at a conversion price of HK$0.5 per share (the "Convertible Note");

(iv) further or alternatively, all payments made by the Company to Mr. Hung and/or damages arising from the breach of the Agreement;

(v) a declaration that Mr. Hung holds the 70,000,000 Shares and the Convertible Note and their traceable equivalent on trust for the Company and that all necessary tracing orders accounts and inquiries be taken as to what had happened to the said Shares and Convertible Note and to ascertain the traceable equivalent thereof;

(vi) an order for payment after having the above accounts and inquiries;

(vii) payment of the legal costs incurred by the Company arising from the investigation and report arising from the matters in connection with the Agreement; and

(viii) payment of the costs incurred by the Company for the preparation and execution of the Agreement and supplemental agreements.

(2) The Company also claims against Mega Wealth, inter alia, for the 100,000,000 Shares issued to Mr. Hung upon exercise of conversion rights of the Convertible Note and which were passed to Mega Wealth at an issue price of HK$0.5 per Share.

(3) The Company also claims against Webright, inter alia, for the 98,000,000 Shares issued to Mr. Hung upon exercise of conversion rights of the Convertible Note and which were passed to Webright at an issue price of HK$0.5 per Share.

On 14 November 2011, the Company filed an amended Statement of Claim to the Court, the Defendants filed amended defence on 16 January 2012. Subsequently, the Company filed amended reply to Defendants' defence on 13 April 2012. The pleading stage of the proceedings is now closed. Now, the Company is preparing the lists of documents to be exchanged with Defendants, after which the parties would have to exchange witness statements.

On 21 August 2013, the Company received a summons from Mr. Hung, seeking leave from the High Court to re-amend Mr. Hung's defence and to add a counter-claim against the Company in the Action. The counter-claim of Mr. Hung to be added is for (i) payment of the unpaid cash consideration under the Agreement in the amount of HK$158,600,000 plus interest and the outstanding balance of HK$173,500,000 of the convertible note issued pursuant to the Agreement plus interest, both being part of the consideration under the Agreement; and (ii) repayment of certain loans and advances in the amount of HK$12,600,000 made by Mr. Hung to the Company together with interest.

The Company maintains the view that Mr. Hung was in breach of the Agreement and is claiming Mr. Hung for, among other reliefs, rescission of the Agreement and/or damages for loss suffered. Accordingly, the Company is of the view that Mr. Hung's counter-claim for consideration under the Agreement is without ground. As to the loans and advances claimed, HK$3,000,000 originated from the cash consideration paid under the Agreement and for the same reason mentioned the Company is of the view that Mr. Hung's claim is without ground. As to the remaining HK$9,600,000 claimed, the Company is of the view that its claim in the Action shall extinguish Mr. Hung's counter-claim and has already provided sufficient security for such amount in the proceedings of the winding-up petition presented by Mr. Hung against the Company.

On 19 February 2014, Mr. Hung was declared bankrupt by the High Court of Hong Kong upon the petition by Toeca National Resources B.V ("Toeca") based on a judgment debt in the proceedings of HCA 1683/2009 of that Mr. Hung was ordered to pay HK$116,820,000 with interest and costs. The Company will speed-up the legal action against Mr. Hung.

Up to the date of approval of these financial statements, no judgment has been made by the High Court. The Board of the Company, based on legal advices, the Company has a good arguable case against the Defendants to have the Agreement rescinded. The Board of the Company will follow closely on the development of the above matters and inform the shareholders of the Company on a timely basis.

(b) *Injunction Order*

On 22 January 2010, the High Court granted an ex parte Injunction Order against the Defendants. The Injunction Order provides, among other things, that: unless with the approval of the High Court, Mr. Hung must not, either by himself, his servants or agents or otherwise howsoever in any way dispose of or deal with or diminish the value of any of the following assets:

(i) the 76,640,000 Shares issued to Mr. Hung at an issue price of HK$0.5 per Share;

(ii) the Convertible Note issued by the Company to Mr. Hung;

(iii) the 100,000,000 Shares issued to Mr. Hung upon exercise of conversion rights of the Convertible Note and which were passed to Mega Wealth at an issue price of HK$0.5 per Share;

(iv) the 98,000,000 of the Shares issued to Mr. Hung upon exercise of conversion rights of the Convertible Note and which were passed to Webright at an issue price of HK$0.5 per Share;

All being part of the considerations given to Mr. Hung by the Company in respect of the Agreement.

On 29 January 2010, at the return date hearing in relation to the Injunction Order, it was ordered, inter alia, that the Injunction Order will continue subject to a fortification in the amount of HK$10,000,000 being paid by the Company to the Registrar of the High Court on or before 12 February 2010, failing which the Injunction Order shall be discharged. The Company paid HK$10,000,000 into the High Court on 10 February 2010 in compliance with the Injunction Order. Following a hearing held at the High Court on 18 March 2010, the High Court delivered its decision on 30 March 2010 to discharge and at the same time re-grant the Injunction Order obtained by the Company on 22 January 2010 against the Defendants. Furthermore, the Court made a cost order nisi that the Company should pay the Defendants' costs related to the discharge of the Injunction Order, which the Court has assessed to be four-fifths of the costs of the hearing. On 13 April 2010, the Defendants took out two summonses respectively for (i) an application for an order to vary the costs order nisi made in the said decision delivered on 30 March 2010, and (ii) an application for an order to have leave to appeal the said decision delivered on 30 March 2010, that the decision to re-grant the Injunction Order was wrong. On 14 May 2010, the Company and Mr. Hung, through their lawyers, entered into a consent summons whereby the hearing of the two summonses returnable on 26 May 2010 was adjourned without a further date of hearing, with liberty to restore.

On 3 September 2010, Mr. Hung through his solicitors applied by way of a Summons to vary the Injunction Order granted by the Honourable Mr. Justice Chung dated 30 March 2010 (the "Application") and the hearing was scheduled to be heard on 20 September 2010. The Court dismissed Mr. Hung's Application by way of summons, for an order to vary the Injunction Order made against the Defendants. The Court ordered costs of the summons be paid by the Defendants to the Company in any event.

On 22 September 2010, the Court of Appeal granted the Defendants leave to appeal to the Court of Appeal and heard the Defendants' appeal on 27 September 2010. The judgment was handed down on 6 October 2010. The Court of Appeal dismissed the appeal of the Defendants and the Injunction Order against the Defendants remained unchanged. The Court of Appeal also ordered the costs of the Appeal to be paid by the Defendants to the Company, to be taxed if noted agreed, save that the costs of preparing the Company's own "core bundles" be deducted.

Mr. Hung put the Company on notice on 6 October 2011 that he would take out an application by way of an inter parte summons, for variation of the ex parte Order granted by the Honourable Mr. Justice Yam on 22 January 2010, which was discharged and re-granted by the Honourable Mr. Justice Chung on 30 March 2010 (the "Order") Pursuant to the summons, Mr. Hung together with Mega Wealth and Webright are seeking for an order that:

(1) the Order be varied by:

(i) that the Mr. Hung be permitted to exercise the right to convert a portion of the Convertible Note in the principal amount of HK$123,204,095 into 246,408,190 ordinary shares of the Company at a conversion price of HK$0.5 per share and that the Mr. Hung be registered forthwith as the shareholder of such converted and allotted 246,408,190 shares;

(ii) amending Paragraph 1(a) in the following manner:

"The 323,048,190 of the Company's shares issued to the Mr. Hung at issue price of HK$0.5 per share;"

(iii) amending Paragraph 1(b) in the following manner:

"The non-interest bearing convertible redeemable note issued by the Company to the Mr. Hung ("Convertible Note") in the principal amount of HK$50,295,905 convertible into ordinary shares of the Company at a conversion price of HK$0.5 per share;"

(iv) adding Paragraph 6:

"save and except what is permitted under Paragraph 7;"

(v) adding to Paragraph 7:

"save and except exercising voting rights of the Shares, either by himself or by the Mr. Hung via proxy or any other agent, at the extraordinary general meeting of the Company which was fixed to be held at Room 2502, 25/F, 9 Queen's Road Central, Central, Hong Kong on Friday, 14 October 2011 at 2.30 p.m. pursuant to the Company's circular dated 28 September 2011 or at such other adjourned dates and places for that extraordinary general meeting;"

(vi) alternatively, any Order that the Honourable Court deems fit.

(2) the time for service of this summons be abridged; and

(3) costs of and occasioned by this application be to provide for.

The Court on 13 October 2011 made the following Order that:

1. the Summons be dismissed; and

2. the costs of the Summons be paid to the Company by Mr. Hung, Mega Wealth and Webright with two certificates to counsels.

The court case is still ongoing and the Company will make further announcements as and when appropriate.

(c) Labour Action

On 5 January 2011, Mr. Hung filed a statement of claim against the Company claiming a total sum of HK$3,407,962.74 plus interest, being, inter alia, (i) arrears of wages (the "Wages Claim") in the amount of HK$1,668,000 and (ii) reimbursement of expenses (the "Reimbursement Claim") in the amount of HK$1,739,962.74, allegedly incurred by Mr. Hung whilst he was in the employment of the Company.

The Wages' Claim was in relation to the same subject matter as was previously resolved and settled between the parties by Mr. Hung accepting a total sum of HK$890,000 from the Company, pursuant to the Order of the Labour Tribunal dated 25 May 2010.

The Company has been advised that re-litigating the Wages' Claim in the High Court, the subject matter of which has already been resolved and settled, constitutes an abuse of process of the Court and is therefore liable to be struck out under the relevant Rules of Court. The Company will defend both the Wages' Claim and the Reimbursement Claim as advised. The Company filed a defence and counterclaim whereby the Company only agreed to pay a sum of HK$74,221.20 out of Mr. Hung's claim, and counterclaimed against Mr. Hung for repayment of a sum of HK$67,569 being, inter alia, unauthorised payments incurred by Mr. Hung on the Company's behalf and the value of the Company assets held by Mr. Hung. Mr. Hung has subsequently filed a reply and defence to counterclaim. This case is now in the discovery stage on 28 June 2011, the Company and Mr. Hung filed a joint application for on order by consent that: (i) this action be stayed sine die with liberty to restore by either party; (ii) and costs reserved. No hearing date has been scheduled for this case on 28 June 2011, the Company and Mr. Hung filed a joint application for an order by consent that:

(i) This action be stayed sine die with liberty to restore by either party; and

(ii) cost reserved.

Save and except for part of the Reimbursement Claim in the amount of HK$74,221.20 as accepted by the Company, the Board of the Company, based on legal advice, considers that the Company has a good arguable defence to Mr. Hung's claim, and consider that this claim will not have any material impact on the Company.

On 19 February 2014, Mr. Hung was declared bankrupt by the High Court of Hong Kong upon the petition by Toeca based on a judgment debt in the proceedings of HCA 1683/2009 of that Mr. Hung was ordered to pay HK$116,820,000 with interest and costs. The Company will speed-up the legal action against Mr. Hung.

(d) Labour action between Mr. Hung Hoi Ming Raymond and the Company and Sino Talent Holdings Limited

On 2 July 2010, Mr. Hung Hoi Ming Raymond (the "Claimant"), brought an action at the Labour Tribunal against the Company and Sino Talent Holdings Limited ("Sino Talent"), a wholly owned subsidiary of the Group for payment of a sum of approximately HK$347,000, being the amount allegedly owed by the Group on termination of his employment contract dated 10 December 2009. The Group have filed with the Labour Tribunal a defence and counterclaim which the Group only agreed to pay a sum of approximately HK$95,000 and counterclaimed against the Claimant for repayment of a sum of approximately HK$128,000 being the amount of education subsidy received by the Claimant and a sum of an approximately HK$46,000 being compensation for unauthorised absence from work and outstanding telephone bills. Pursuant to an Order by the Labour Tribunal dated 27 July 2010, the case was transferred to the District Court. At the directions hearing on 17 November 2010. The Court ordered that: (i) The Claimant do file and serve the Statement of Claim on or before 22 December 2010; (ii) The Sino Talent do file and serve the Defence and Counterclaim, if any, on or before 26 January 2011; (iii) The Claimant do file and serve the Reply and Defence to Counterclaim on or before 2 March 2011; and (iv) The costs of this directions hearing, assessed summarily in the sum of HK$800 be costs in the cause. On 28 June 2011, the Company, Sino Talent and Claimant filed a joint application for an order by consent that: (i) this action be stayed sine die with liberty to restore by either party; and (ii) cost reserved. The Board of the Company, based on legal advices, is of the view that the Group have a good defence to the Claimant's claim and a good chance of success in respect of the respective counterclaims.

OTHER EVENTS

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2014, the Group had a total of 32 employees (30 September 2013: 35) in Hong Kong and the PRC. All employees are remunerated according to their performance, experience and the prevailing industry practices.

The Group also participates in retirement benefit schemes for its staff in Hong Kong and the PRC. The Group introduced a new share option scheme on 8 October 2010, with options to be granted to employees at the discretion of the Board. As at 30 September 2014, 125,734,000 share options are remained outstanding.

MATERIAL ACQUISITION AND DISPOSAL

The Group did not have any material acquisition and disposal for the six months ended 30 September 2014.

MATERIAL RELATED PARTY TRANSACTION

The Group did not have any material related party transaction for the six months ended 30 September 2014.

SIGNIFICANT INVESTMENT

The Group did not hold any significant investment for the six months ended 30 September 2014.

EVENTS AFTER THE REPORTING PERIOD

(i) On 21 March 2014, the Company, Mr. Zheng Xuefeng ("Mr. Zheng") and the placing agent entered into the Tri-Party Agreement pursuant to which, among others, the parties agreed that the placing agent shall place 270,000,000 unreleased consideration shares to not less than six independent placees at the placing price of HK$0.188 per share on a best effort basis. On 30 May 2014, the parties to the Tri-Party Agreement entered into the second supplemental agreement to the Tri-Party Agreement to extend the long-stop date from 31 May 2014 to 31 July 2014. On 30 July 2014, the parties to the Tri-Party Agreement entered into the third supplemental agreement to the Tri-Party Agreement to extend the long-stop date from 31 July 2014 to 30 September 2014. On 28 August 2014, the parties to the Tri-Party Agreement entered into the fourth supplemental agreement to amend the placing price from HK$0.188 to HK$0.275. On 11 September 2014, the first tranche of the share of 142,500,000 shares have been successfully placed to not fewer than six placees at the new placing price of HK$0.275. The net proceeds is approximately HK$38,753,000 will be used for working capital and future business development. On 30 September 2014, the parties to the Tri-Party Agreement entered into the fifth supplemental agreement to the Tri-Party Agreement to extend the long-stop date for the remaining balance of second tranche of the share of 127,500,000 shares from 30 September 2014 to 30 November 2014. On 21 November 2014, the parties to the Tri-Party Agreement entered into the sixth supplemental agreement to further extend the long-stop date from 30 November 2014 to 31 March 2015.

(ii) On 10 October 2014, the Company entered into a supplemental disposal agreement with Mr. Zheng to extend the settlement of remaining consideration of HK$8,000,000 regarding the disposal of Wealthy Wing Limited to not later than 31 December 2014 with interest bearing at 12% per annum. The interest payable is calculated from 1 October 2014 to the actual payment date. Mr. Zheng paid HK$1,000,000 to the Company on 21 November 2014.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

The Company or any of its subsidiaries had not purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 September 2014.

AUDIT COMMITTEE

The audit committee of the Company ("Audit Committee") comprises three independent non-executive directors, chaired by Mr. Lam Williamson and the other two members of the Committee are Mr. Cheng Wing Keung, Raymond and Mr. Wong Hoi Kuen. The Audit Committee has reviewed and discussed with the Company's management the interim results of the Group for the six months ended 30 September 2014.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Company applied the principles and complied with all code provisions of the Code on Corporate Governance Code as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 September 2014.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

The Company's results announcement for the six months ended 30 September 2014 containing all information required by Appendix 16 of the Listing Rules is published on the website of the Stock Exchange at http://www.hkexnews.hk and the Company's appointed website at http://www.capitalfp.com.hk/eng/index.jsp?co=223. The interim report of the Company for the six months ended 30 September 2014 will be despatched to the shareholders and published on the above websites in due course.

By Order of the Board
Sino Resources Group Limited
(carrying on business in Hong Kong as Sino Gp Limited)
Chow Chi Fai
Company Secretary

Hong Kong, 25 November 2014

As at the date of this announcement, the executive directors of the Company are Ms. Geng Ying, Mr. Gao Feng and Mr. Chiu Sui Keung, non-executive director of the Company is Mr. Wang Xihua, and the independent non-executive directors of the Company are Mr. Lam Williamson, Mr. Cheng Wing Keung Raymond and Mr. Wong Hoi Kuen.

* *for identification only*