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

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2014

The board of directors (the "**Directors**") (the "**Board**") of Simsen International Corporation Limited (the "**Company**") is pleased to present to its shareholders the unaudited condensed consolidated results of the Company and its subsidiaries (the "**Group**") for the six months ended 31 October 2014 together with the comparative figures. The condensed consolidated interim financial statements have not been audited, but have been reviewed by the Company's auditor, Zenith CPA Limited, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants, and by the Company's audit committee (the "**Audit Committee**").

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the six months ended 31 October 2014

	Notes	For the six months ended 31 October **2014** *HK$'000* **(Unaudited)**	2013 *HK$'000* (Unaudited)
REVENUE	*4*	**108,462**	92,787
Other income and gains or losses, net		**7,711**	3,400
Brokerage and commission expenses		**(4,014)**	(6,203)
Fair value gain on convertible notes designated as at fair value through profit or loss		**–**	36,986
Gain on bargain purchase of a subsidiary		**–**	2,861
Loss on disposal of available-for-sale investments		**(3,124)**	(21,567)
Administrative and other operating expenses		**(71,633)**	(61,613)
(Provision for)/reversal of impairment on loans and accounts receivable, net		**(528)**	6,573
Finance costs	*5*	**(2,912)**	(20)
PROFIT BEFORE TAX	*6*	**33,962**	53,204
Income tax expense	*7*	**(11,004)**	(5,818)
PROFIT FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT		**22,958**	47,386
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*9*		(Restated)
Basic		**HK1.71 cents**	HK7.45 cents
Diluted		**HK1.71 cents**	HK7.45 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 31 October 2014

	For the six months ended 31 October	
	2014	2013
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
PROFIT FOR THE PERIOD	**22,958**	47,386
OTHER COMPREHENSIVE INCOME/(LOSS):		
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:		
Available-for-sale investments:		
— Changes in fair value	**(22,949)**	(46,234)
— Reclassification adjustment for loss included in the consolidated statement of profit or loss — loss on disposal	**3,107**	21,567
	(19,842)	(24,667)
Exchange differences on translation of foreign operations	**7,631**	5,194
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX OF NIL	**(12,211)**	(19,473)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT	**10,747**	27,913

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 October 2014

	Notes	**31 October 2014 *HK$'000* (Unaudited)**	30 April 2014 *HK$'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**6,435**	5,473
Goodwill		**22,279**	22,279
Other long term assets		**4,593**	4,220
Intangible assets		**2,350**	2,350
Investments in senior notes		**–**	80,000
Available-for-sale investments		**34,965**	28,841
Finance leases receivable	*10*	**113,862**	60,916
Loans and accounts receivable	*11*	**724**	–
Total non-current assets		**185,208**	204,079
CURRENT ASSETS			
Finance leases receivable	*10*	**59,183**	18,540
Loans and accounts receivable	*11*	**1,100,935**	740,281
Prepayments, deposits and other receivables		**19,864**	374,304
Tax recoverable		**16**	192
Available-for-sale investments		**12,613**	–
Equity investments at fair value through profit or loss		**888**	1,678
Bank trust account balances		**237,903**	138,057
Pledged bank deposits		**11,001**	10,591
Cash and cash equivalents		**182,377**	381,509
Total current assets		**1,624,780**	1,665,152
CURRENT LIABILITIES			
Accounts payable	*12*	**256,060**	161,811
Other payables and accruals		**38,796**	27,553
Finance leases payable		**–**	83
Interest-bearing bank borrowings	*13*	**31,532**	–
Tax payable		**6,512**	2,694
Total current liabilities		**332,900**	192,141
NET CURRENT ASSETS		**1,291,880**	1,473,011
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,477,088**	1,677,090

	Notes	31 October 2014 HK$'000 (Unaudited)	30 April 2014 HK$'000 (Audited)
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	*13*	**23,650**	–
Convertible notes	*14*	**28,967**	349,762
Provision for long service payments		**533**	566
Provision for reinstatement		**1,398**	503
Total non-current liabilities		**54,548**	350,831
NET ASSETS		**1,422,540**	1,326,259
EQUITY			
Equity attributable to owners of the parent			
Issued capital		**1,576**	906
Reserves		**1,420,964**	1,325,353
TOTAL EQUITY		**1,422,540**	1,326,259

Notes:

1. CORPORATE INFORMATION

Simsen International Corporation Limited (the "Company") is a limited liability company incorporated in Bermuda. The head office and principal place of business of the Company is situated at Rooms 1908–10, 19th Floor, The Center, 99 Queen's Road Central, Hong Kong. The Group is principally engaged in the broking and dealing of securities, futures, options, bullion and forex contracts, as well as the provision of money lending, pawn loan and finance lease services. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The accounting policies used in the preparation of the condensed consolidated interim financial statements are consistent with those adopted in the annual financial statements for the year ended 30 April 2014, except for adoption of the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs") (which also include HKASs and Interpretations) issued by the HKICPA that are effective for the first time for the Group's annual period beginning on 1 May 2014.

HKFRS 10, HKFRS 12 and HKAS 27 (2011)Amendments	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) — *Investment Entities*
HKAS 32 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation — Offsetting Financial Assets and Financial Liabilities*
HKAS 36 Amendments	Amendments to HKAS 36 *Impairment of Assets — Recoverable Amount Disclosures for Non-Financial Assets*
HKAS 39 Amendments	Amendments to HKAS 39 *Financial Instruments: Recognition and Measurement — Novation of Derivatives and Continuation of Hedge Accounting*
HK(IFRIC)-Int 21	*Levies*

The application of the new or revised HKFRSs has had no significant financial effect on the condensed consolidated interim financial statements.

3. OPERATING SEGMENT INFORMATION

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

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

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

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

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

(e) the pawn loan segment represents provision of pawn loan services;

(f) the finance lease segment represents provision for finance lease services; and

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

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

The following tables present revenue and profit/(loss) for the six months ended 31 October 2014 and 2013 for the Group's business segments.

For the six months ended 31 October 2014 (Unaudited)

	Securities *HK$'000*	Bullion *HK$'000*	Forex *HK$'000*	Money lending *HK$'000*	Pawn loan *HK$'000*	Finance lease *HK$'000*	Corporate and other *HK$'000*	Total *HK$'000*
Segment revenue:								
Revenue from external customers	14,425	1,513	1,788	66,213	15,435	8,316	772	108,462
Other income and gains or losses, net	5,404	(138)	29	30	171	386	1,829	7,711
	19,829	1,375	1,817	66,243	15,606	8,702	2,601	116,173
Segment profit/(loss)	3,431	(1,747)	(1,594)	46,492	7,502	4,263	(18,349)	39,998
Loss on disposal of available-for-sale investments								(3,124)
Finance costs								(2,912)
Profit before tax								33,962
Income tax expense								(11,004)
Profit for the period								22,958

For the six months ended 31 October 2013 (Unaudited)

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

4. REVENUE

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

	For the six months ended 31 October	
	2014	2013
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Revenue		
Fees, commission and premium income, net, from securities, bullion, forex, futures and options contracts broking	**12,520**	15,249
Trading gain on securities, bullion, forex and futures contracts, net	**1,289**	1,988
Interest income from loan and margin financing activities and finance lease income	**74,827**	56,222
Handling fee income	**573**	208
Other service income	**19,253**	19,120
	108,462	92,787

5. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 31 October	
	2014	2013
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest on bank loans	**1,394**	–
Interest on other loans	**426**	–
Interest on finance leases	**2**	20
Imputed interest expense on convertible notes	**1,090**	–
	2,912	20

6. PROFIT BEFORE TAX

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

	For the six months ended 31 October	
	2014	2013
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Depreciation	**2,069**	2,000
Loss on disposal of items of property, plant and equipment	**207**	177
Minimum lease payments under operating leases on rental of office premises and office equipment	**11,432**	10,402
Employee benefit expenses (including directors' remuneration)	**33,098**	28,198
Foreign exchange differences, net	**(514)**	1,465

7. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2013: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Subsidiaries established in the People's Republic of China (the "PRC") are subject to the PRC Corporate Income Tax at the standard rate of 25% (2013: 25%).

	For the six months ended 31 October	
	2014	2013
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current		
— Hong Kong	**4,299**	3,084
— the PRC	**6,705**	2,734
	11,004	5,818

8. DIVIDENDS

During the current period, a special dividend of HK$0.15 per ordinary share (2013: Nil), with an aggregate amount of approximately HK$236,351,000 (2013: Nil), was declared and paid in cash out of the contributed surplus to the shareholders of the Company. The Broad has resolved not to declare any interim dividend for the six months ended 31 October 2014 (2013: Nil).

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent of approximately HK$22,958,000 (2013: approximately HK$47,386,000) and the weighted average number of ordinary shares of approximately 1,342,629,000 (2013: approximately 635,673,000 (restated)) in issue during the period. The basic earnings per share amount for the prior period has been adjusted to reflect the consolidation of shares and the bonus issue of shares during the prior year.

The calculation of diluted earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, adjusted to reflect the interest on the convertible notes, where applicable. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares. The Group had no potentially dilutive ordinary shares in issue during the prior period.

The calculations of basic and diluted earnings per share are based on:

	For the six months ended 31 October	
	2014	2013
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Earnings:		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**22,958**	47,386
Interest on convertible notes	**1,090**	–
Profit attributable to ordinary equity holders of the parent before interest on convertible notes	**24,048**	47,386

	Number of shares	
	2014	2013
	'000	*'000*
		(Restated)
Shares:		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation (2013: as adjusted for the share consolidation which became effective on 10 October 2013 and the bonus issue of shares which was completed on 9 April 2014)	**1,342,629**	635,673
Effect of dilution — weighted average number of ordinary shares:		
Convertible notes	**60,000**	–
	1,402,629	635,673

10. FINANCE LEASES RECEIVABLE

	Minimum lease payments receivable		Present value of minimum lease payments receivable	
	31 October 2014	30 April 2014	**31 October 2014**	30 April 2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)
Finance leases receivable:				
Within one year	**73,442**	24,241	**59,183**	18,540
In the second to fifth years	**124,127**	69,113	**113,862**	60,916
Total minimum lease payments receivable	**197,569**	93,354	**173,045**	79,456
Less: Unearned finance lease income	**(24,524)**	(13,898)		
Total finance leases receivable	**173,045**	79,456		
Portion classified as current assets	**(59,183)**	(18,540)		
Non-current portion	**113,862**	60,916		

The leased assets under the finance lease arrangements mainly comprise production equipment, vessel, motor vehicles and optical fiber with lease terms ranging from 3 to 5 years (30 April 2014: 3 to 5 years).

11. LOANS AND ACCOUNTS RECEIVABLE

	31 October 2014	30 April 2014
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Loans and accounts receivable:		
— from securities, futures, options, bullion and forex dealing services	**139,800**	76,197
— from money lending operations	**879,970**	649,565
— from pawn loan services	**106,163**	41,490
— from trading operations	**160**	160
— from corporate and other operations	**3,606**	381
	1,129,699	767,793
Provision for impairment	**(28,040)**	(27,512)
	1,101,659	740,281
Analysed as:		
Current portion	**1,100,935**	740,281
Non-current portion	**724**	–
	1,101,659	740,281

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

	31 October 2014	30 April 2014
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Current to 1 month	**707,505**	487,486
1 to 3 months	**63,204**	100,325
3 months to 1 year	**220,552**	43,357
Over 1 year	**110,398**	109,113
	1,101,659	740,281

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

	31 October 2014	30 April 2014
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
At beginning of period/year	**27,512**	35,313
Impairment losses recognised	**1,518**	2,843
Impairment losses reversed	**(990)**	(10,434)
Provision for/(reversal of) impairment losses, net	**528**	(7,591)
Amount written off as uncollectible	**–**	(210)
At end of period/year	**28,040**	27,512

12. ACCOUNTS PAYABLE

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

	31 October 2014	30 April 2014
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Current to 1 month	**256,060**	161,811

13. INTEREST-BEARING BANK BORROWINGS

During the current period, the Group obtained a new bank loan amounting to approximately HK$55,182,000 (30 April 2014: Nil). The bank loan bears interest at variable rate of approximately 7% and is repayable in quarterly installments over a period of 2 years. The proceed was used to finance the operation of finance lease business.

14. CONVERTIBLE NOTES

On 19 February 2014, the Company issued zero coupon convertible notes (the "Convertible Notes") with a nominal value of HK$500,000,000. The notes are convertible at the option of the noteholders into ordinary shares at 36 months from the date of issuance of the Convertible Notes on the basis of one ordinary share at the initial conversion price of HK$5 per conversion share. Any Convertible Notes not converted will be redeemed on 18 February 2017 for the outstanding principal amounts. The conversion price for the Convertible Notes was adjusted to HK$0.5 per share on 9 April 2014, upon completion of the issue of bonus shares. A total principal amount of HK$135,000,000 Convertible Notes was converted into 270,000,000 ordinary shares of the Company for the year ended 30 April 2014. On 4 July 2014, a total principal amount of HK$335,000,000 Convertible Notes was converted into 670,000,000 ordinary shares of the Company. Immediately after the conversion, the outstanding Convertible Notes issued by the Company amounted to HK$30,000,000.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the period under review, the Group continues its existing principal activities including securities, bullion, forex and money lending operations, pawn shop and finance lease business in Mainland China.

The Group recorded an unaudited profit of approximately HK$22,958,000 (2013: approximately HK$47,386,000) for the six months ended 31 October 2014. Revenue for the period under review was approximately HK$108,462,000 (2013: approximately HK$92,787,000), representing an increase of approximately 17%.

Also, the Group has made some investments in Hong Kong listed stocks. For the period under review, the Group has recorded a loss on disposal of available-for-sale investments of approximately HK$3,124,000 (2013: a loss of approximately HK$21,567,000) in relation to a single stock holding of Landing International Development Limited (stock code: 582) (2013: China Agri-Products Exchange Limited (stock code: 149)).

Securities

The securities segment comprises broking and dealing of securities, futures and options contracts, provision of margin financing, advisory on corporate finance, asset management and insurance consultancy services, and results of investment holding and proprietary trading of securities. Revenue from the securities segment was approximately HK$14,425,000 for the period under review (2013: approximately HK$18,846,000) with a profit of approximately HK$3,431,000, compared to a loss of approximately HK$3,793,000 in the corresponding period last year, where the improvement was primarily due to the synergy effort leading to a slightly better net profitable scenario.

Bullion

The bullion segment comprises broking and dealing of bullion contracts, which recorded a revenue of approximately HK$1,513,000 and a loss of approximately HK$1,747,000 respectively for the period under review (2013: a revenue of approximately HK$2,482,000 and a loss of approximately HK$329,000 respectively). The turnover was remained at a lower level due to market uncertainty, thus the deployment of more hedging strategy to reduce the risky positions led to a slightly lower revenue for the Company.

Forex

The forex segment comprises broking and dealing of forex contracts, which recorded a revenue of approximately HK$1,788,000 and a loss of approximately HK$1,594,000 respectively for the period under review (2013: a revenue of approximately HK$2,241,000 and a loss of approximately HK$1,886,000 respectively). The improved better performance as compared to the same period last year was driven mainly by more dynamic hedging on risky positions to reduce the foreign exchange risk in volatile market.

Money Lending

The money lending business remains its positive outlook and maintained a moderate growth for the period under review. The total amount of loans receivable from the entire money lending business reached approximately HK$858,395,000 as at 31 October 2014 (30 April 2014: approximately HK$627,990,000), resulting in an interest revenue and a profit for the period under review to approximately HK$66,213,000 and approximately HK$46,492,000 respectively (2013: a revenue of approximately HK$45,404,000 and a profit of approximately HK$42,236,000 respectively).

During the period under review, the shareholders of the Company, at the special general meeting, approved the proposed acquisition of the entire registered and paid-up share capital of Beijing Hong Tian Chuang Ming Investment Consulting Co., Ltd* ("**Target Company**") by Success Path Corporation Limited, an indirect wholly-owned subsidiary of the Company. However, due to the unsatisfactory due diligence results of the Target Company during the course of proceeding to the completion of the acquisition, the agreement parties have entered into a deed of termination by terminating unconditionally the proposed acquisition with immediate effect from the date of the deed (i.e. 10 July 2014).

Pawn Loan

Pawn loan business maintains its vigilant growth dynamic in Mainland China. It has recorded a revenue and a profit for the period under review to approximately HK$15,435,000 and approximately HK$7,502,000 respectively (2013: a revenue of approximately HK$14,409,000 and a profit of approximately HK$8,759,000 respectively).

Finance Lease

The finance lease business has been started up smoothly and some market penetration was pursued with reasonable progress. The revenue and profit recorded for the six months ended 31 October 2014 was approximately HK$8,316,000 and approximately HK$4,263,000 respectively. (2013: a revenue of approximately HK$5,633,000 and a profit of approximately HK$4,046,000 respectively).

PROSPECTS

Despite the fact that Hong Kong has experienced a mixed situation where Europe and Japan are taking an approach different from the United States in respect of quantitative easing policy, as well as the slight slowdown of China economic growth, the Group has managed to remain in a stable and profitable situation which is contributed by continuous effort in streamlining the business plus our emphasis in business diversification. We are still in the progress of restructuring some of the business lines and hopefully will be in a position to improve the business efficacy further. On the other hand, the Group is also aware of certain risks and uncertainties related to its business in Mainland China, especially about changing government policies. In light of this, the Group will review its business in Mainland China from time to time and take appropriate restructuring strategy.

The Group has also noticed that competitive rivalry is getting stronger in its business environment, especially the money lending business where a considerable amount of new competitors has entered into the market. To maintain competitiveness, money lenders are required to improve their operation efficiency including identifying low cost financing, optimising marketing and administration expenses and enhancing capital efficiency etc. Facing such uncertainties and keen competition, management of the Group is reviewing the performance, strategy, environment and prospects of each business segment of the Group. The Group is considering restructuring its business lines in Hong Kong and Mainland China and reallocating its resources to better align with the changing global economy trends.

As disclosed in the announcements of the Company dated 7 October 2014, 7 November 2014 and 8 December 2014, the Company was negotiating with a potential investor, Huarong (HK) International Holdings Limited, for the subscription of shares of the Company. As at the date hereof, no concrete terms of such subscription have been agreed upon between the parties.

CAPITAL STRUCTURE

During the period under review, there was no change to the authorised share capital of the Company. On 4 July 2014, a holder of the Convertible Notes has partially converted HK$335,000,000 Convertible Notes into 670,000,000 shares of the Company. As at 31 October 2014, the total number of the issued ordinary shares with the par value of HK$0.001 each was 1,575,672,880 (30 April 2014: 905,672,880) and total equity attributable to owners of the Company was approximately HK$1,422,540,000 (30 April 2014: approximately HK$1,326,259,000).

LIQUIDITY AND FINANCIAL RESOURCES

The Group had total cash and cash equivalents amounting to approximately HK$182,377,000 (30 April 2014: approximately HK$381,509,000), which already excludes approximately HK$237,903,000 (30 April 2014: approximately HK$138,057,000) of client funds that were kept in separately designated bank accounts as at 31 October 2014.

The Group's gearing ratio, which is measured on the basis of the Group's total interest-bearing loans net of own cash reserves over the Company's shareholders' equity, did not exist as at 31 October 2014 and 30 April 2014 as the Group had net surplus cash as at the reporting date.

The Group's banking facilities amount to HK$40,000,000, none of which were utilised and outstanding at the end of the reporting period. Included in these banking facilities, an overdraft facility amounting to HK$10,000,000 (30 April 2014: HK$10,000,000) is secured by certain of the Group's bank deposits amounting to approximately HK$11,001,000 (30 April 2014: approximately HK$10,591,000). The remaining facility amounting to HK$30,000,000 (30 April 2014: HK$30,000,000) represents a margin facility and the availability of this facility is conditional upon the execution of charges over securities by a subsidiary of the Company.

CHARGES ON GROUP ASSETS

As at 31 October 2014, the Group did not have any obligations under finance leases which were secured by the leased assets acquired under the finance leases (30 April 2014: approximately HK$83,000).

EMPLOYEE AND REMUNERATION POLICY

As at 31 October 2014, the Group employed a total of about 252 employees as compared to 180 employees in 2013. The Group's staff recruitment and promotion are primarily based on individuals' merits, relevant experiences, development potentials for the positions offered and performance. Staff remuneration and benefit policies, which are formulated by reference to the market, are competitive and performance based.

FOREIGN EXCHANGE EXPOSURES

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

CONTINGENT LIABILITY

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

Mayer is claiming against USSL for damages for, among other things, breach of contract. USSL has sought legal advice on the alleged claims against it but based on their understanding of the factual background concerning the alleged claims against USSL, the Directors consider that USSL has a defence of merit and will therefore defend the alleged claims strenuously. The parties to the Action are in the course of providing relevant information to the High Court and there is no substantial progress as at 31 October 2014.

Save as disclosed above, the Group had no other material contingent liability at 31 October 2014.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 31 October 2014 (2013: Nil).

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

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

CORPORATE GOVERNANCE

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

Under Code Provision A.6.7, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. Mr. Zhu Chengwu, Mr. Yeung Siu Keung and Mr. Chen Wai Chung, Edmund, independent non-executive directors, could not attend the annual general meeting of the Company held on 31 October 2014 and the special general meeting on 3 June 2014 and 15 August 2014 because of other business commitments.

PUBLICATION OF FURTHER INFORMATION ON WEBSITE

This announcement will be published on the websites of the Company (www.simsen.com) and the Hong Kong Exchanges and Clearing Limited ("**HKEx**") (www.hkexnews.hk). The 2014 Interim Report containing all the applicable information required by the Listing Rules will be despatched to the shareholders of the Company and published on the respective websites of the Company and HKEx in January 2015.

AUDIT COMMITTEE

The Audit Committee of the Company was established in accordance with the requirements of the Rule 3.21 of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls systems, and compliance with the relevant rules and regulations. The Audit Committee comprises three independent non-executive Directors of the Company. The unaudited financial statements for the six months ended 31 October 2014 have been reviewed by the Audit Committee.

APPRECIATION

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

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

Hong Kong, 23 December 2014

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

* *for identification purposes only*