SUNWAH KINGSWAY
新華滙富

SUNWAH KINGSWAY CAPITAL HOLDINGS LIMITED
新華滙富金融控股有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 00188)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

The Board of Directors of Sunwah Kingsway Capital Holdings Limited (the "Company") hereby submit the unaudited condensed consolidated financial statements of the Company and its subsidiaries (the "Group") for the six months ended 31 December 2014.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 31 December 2014

	Notes	Six months ended 31 December 2014 HK$ (unaudited)	2013 HK$ (unaudited)
Turnover	3		
Commission and fee income		**43,118,535**	41,512,953
Interest and dividend income		**7,018,119**	5,531,579
		50,136,654	47,044,532
Net (loss)/gain on disposal of financial assets/liabilities at fair value through profit or loss and remeasurement to fair value	3	**(15,982,960)**	34,847,035
Other income	3	**940,180**	1,805,110
		35,093,874	83,696,677
Operating expenses			
Commission expenses		**(5,015,541)**	(3,288,675)
General and administrative expenses		**(54,072,893)**	(53,273,883)
Finance costs		**(1,075,663)**	(1,659,659)
		(25,070,223)	25,474,460
Share of (losses)/profits of associates	3	**(132,024)**	799,276
(Loss)/profit before tax	4	**(25,202,247)**	26,273,736
Income tax credit	5	**35,480**	–
(Loss)/profit for the period		**(25,166,767)**	26,273,736
Attributable to:			
Owners of the Company		**(25,229,049)**	26,273,736
Non-controlling interests		**64,401**	–
Holders of non-controlling interests in consolidated investment fund		**(2,119)**	–
(Loss)/profit for the period		**(25,166,767)**	26,273,736
Basic (loss)/earnings per share	7	**(0.6) cent**	0.7 cent
Diluted (loss)/earnings per share	7	**(0.6) cent**	0.7 cent

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2014

	Six months ended 31 December	
	2014	2013
	HK$	*HK$*
	(unaudited)	(unaudited)
(Loss)/profit for the period	**(25,166,767)**	26,273,736
Other comprehensive income/(expenses):		
Items that will not be reclassified subsequently to profit or loss:		
Surplus on revaluation of land and buildings held for own use (net of tax)	**13,131,834**	5,608,017
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of financial statements of overseas subsidiaries	**(4,570)**	(604,230)
Fair value changes on available-for-sale investments	**–**	2,611,252
	(4,570)	2,007,022
Other comprehensive income for the period	**13,127,264**	7,615,039
Total comprehensive (expenses)/income for the period	**(12,039,503)**	33,888,775
Total comprehensive (expenses)/income attributable to:		
Owners of the Company	**(12,101,785)**	33,888,775
Non-controlling interests	**64,401**	–
Holders of non-controlling interests in consolidated investment fund	**(2,119)**	–
Total comprehensive (expenses)/income for the period	**(12,039,503)**	33,888,775

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2014

	Notes	**31 December 2014** *HK$* **(unaudited)**	30 June 2014 *HK$* (audited)
Non-current assets			
Properties and equipment		**336,106,604**	326,224,268
Intangible assets		**2,051,141**	2,051,141
Interests in associates		**15,426,892**	15,558,916
Available-for-sale investments		**7,995,389**	7,995,389
Other receivable	*8*	**32,690,662**	32,690,662
Other financial assets		**10,023,794**	7,650,148
		404,294,482	392,170,524
Current assets			
Loan to an associate		**1,206,780**	1,319,580
Financial assets at fair value through profit or loss		**201,959,819**	164,795,188
Accounts, loans and other receivables	*9*	**472,286,873**	153,246,368
Cash and cash equivalents		**131,851,521**	239,103,210
		807,304,993	558,464,346
Current liabilities			
Financial liabilities at fair value through profit or loss		**12,825,147**	1,530,000
Net assets attributable to holders of non-controlling interests in consolidated investment fund		**15,078,387**	15,080,506
Accruals, accounts and other payables	*10*	**384,570,922**	100,983,968
Bank loan		**72,100,000**	82,400,000
Current taxation		**1,450,324**	1,450,324
		486,024,780	201,444,798
Net current assets		**321,280,213**	357,019,548
Total assets less current liabilities		**725,574,695**	749,190,072
Non-current liabilities			
Deferred tax liabilities		**18,097,632**	15,871,710
		18,097,632	15,871,710
NET ASSETS		**707,477,063**	733,318,362
CAPITAL AND RESERVES			
Share capital		**460,130,488**	460,130,488
Reserves		**246,989,882**	272,895,582
Equity attributable to owners of the Company		**707,120,370**	733,026,070
Non-controlling interests		**356,693**	292,292
TOTAL EQUITY		**707,477,063**	733,318,362

NOTES

1 BASIS OF PREPARATION

The unaudited condensed consolidated 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 of Hong Kong Limited (the "Stock Exchange") and with Hong Kong Accounting Standard 34, Interim Financial Reporting ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

2 SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis, except for land and buildings held for own use, available-for-sale investments and financial assets/liabilities at fair value through profit or loss that are measured at revalued amounts or fair values, as appropriate.

Except as described below, the accounting policies and methods of computation used in these unaudited condensed consolidated financial statements are consistent with those applied in the preparation of the Group's consolidated financial statements for the year ended 30 June 2014.

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

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011 – 2013 Cycle
HK(IFRIC)-Int 21	Levies

The application of the above new and revised HKFRSs in the current interim period has had no material effect on the amounts reported and disclosures set out in these condensed consolidated financial statements.

3 SEGMENT INFORMATION

The following is an analysis of the Group's revenue and results by operating segment for the periods under review:

	Six months ended 31 December 2014						
	Investment in securities *HK$*	**Structured investment** *HK$*	**Brokerage** *HK$*	**Corporate finance and capital markets** *HK$*	**Asset management** *HK$*	**Others** *HK$*	**Consolidated** *HK$*
Revenue from external customers	2,835,157	118,801	25,065,788	21,595,206	85	521,617	50,136,654
Inter-segment revenue	765	–	847,220	–	569,818	9,372,297	10,790,100
Segment revenue	2,835,922	118,801	25,913,008	21,595,206	569,903	9,893,914	60,926,754
Net (loss)/gain on disposal of financial assets/liabilities at fair value through profit or loss and remeasurement to fair value	(17,187,627)	1,234,589	(29,922)	–	–	–	(15,982,960)
Other income	–	–	239,007	–	–	701,173	940,180
Eliminations	(765)	–	(847,220)	–	(569,818)	(9,372,297)	(10,790,100)
Total income	(14,352,470)	1,353,390	25,274,873	21,595,206	85	1,222,790	35,093,874
Segment results	(17,288,902)	(724,398)	(2,439,651)	386,651	(209,136)	(4,794,787)	(25,070,223)
Share of losses of associates	–	(114,415)	(17,609)	–	–	–	(132,024)
Loss before tax							(25,202,247)

	Six months ended 31 December 2013						
	Investment in securities	Structured investment	Brokerage	Corporate finance and capital markets	Asset management	Others	Consolidated
	HK$	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*
Revenue from external customers	2,515,867	–	24,806,144	19,289,323	129,442	303,756	47,044,532
Inter-segment revenue	38	–	478,806	–	–	9,716,529	10,195,373
Segment revenue	2,515,905	–	25,284,950	19,289,323	129,442	10,020,285	57,239,905
Net gain/(loss) on disposal of financial assets/ liabilities at fair value through profit or loss and remeasurement to fair value	34,877,129	–	(30,094)	–	–	–	34,847,035
Other income	38,489	–	374,752	–	–	1,391,869	1,805,110
Eliminations	(38)	–	(478,806)	–	–	(9,716,529)	(10,195,373)
Total income	37,431,485	–	25,150,802	19,289,323	129,442	1,695,625	83,696,677
Segment results	34,084,399	(775,755)	(6,286,369)	3,438,155	(699,815)	(4,286,155)	25,474,460
Share of profits of associates	–	746,903	52,373	–	–	–	799,276
Profit before tax							26,273,736

The following is an analysis of the Group's assets by operating segment:

	31 December 2014	30 June 2014
	HK$	*HK$*
Investment in securities	**182,305,121**	140,476,624
Structured investment	**43,377,816**	41,409,070
Brokerage	**611,667,491**	284,608,127
Corporate finance and capital markets	**9,039,482**	18,925,107
Asset management	**6,907,856**	6,891,295
Others	**358,301,709**	458,324,647
Total segment assets	**1,211,599,475**	950,634,870

4 (LOSS)/PROFIT BEFORE TAX

(Loss)/profit before tax is arrived at after crediting/(charging):

	Six months ended 31 December	
	2014	2013
	HK$	*HK$*
Net (loss)/gain on disposal of financial assets/liabilities at fair value through profit or loss and remeasurement to fair value		
– equity securities	**(13,729,835)**	32,864,019
– debt securities	**(1,219,429)**	745,890
– derivatives and others	**(1,033,696)**	1,237,126
Dividends from listed equity securities	**1,037,031**	888,817
Interest income from		
– bank deposits	**777,186**	115,259
– margin and IPO financing	**1,070,438**	1,915,363
– debt securities	**1,821,556**	1,607,035
– loans	**2,296,050**	991,507
– others	**15,858**	13,598
Staff costs	**(34,493,874)**	(33,074,348)
Operating lease charges – land and buildings	**(1,350,395)**	(1,395,477)
Depreciation	**(5,714,837)**	(5,558,329)
Interest expenses on		
– bank loans and overdrafts	**(52,960)**	(244,814)
– bank mortgage loan wholly repayable within five years	**(1,021,099)**	(1,325,643)
– others	**(1,604)**	(89,202)
Reversal of impairment loss for accounts receivable	**–**	100,000
Exchange (loss)/gain (net)	**(97,066)**	892,518

5 INCOME TAX IN THE CONDENSED CONSOLIDATED INCOME STATEMENT

	Six months ended 31 December	
	2014	2013
	HK$	*HK$*
Current tax credit		
– Tax for the period	**–**	–
Deferred tax credit		
– Tax for the period	**35,480**	–
Income tax credit	**35,480**	–

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the current and prior periods. No tax is payable on the profits of certain subsidiaries for the period arising in Hong Kong since the estimated assessable profits of these subsidiaries of the Group of HK$2 million (31 December 2013: HK$33 million) are wholly absorbed by tax losses brought forward.

The Group has not recognised deferred tax assets in respect of cumulative tax losses of approximately HK$414 million (30 June 2014: HK$396 million) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses from subsidiaries incorporated in Hong Kong will not expire under current tax regulation while tax losses from PRC subsidiaries are subject to expiry periods of five years from the years in which the tax losses arose under the current tax legislation.

6 DIVIDENDS

Dividends recognised as distributions during the period

	Six months ended 31 December	
	2014	2013
	HK$	*HK$*
Final dividend in respect of the previous financial year, declared and paid of 0.3 HK cent per share (2013: 0.3 HK cent per share)	**13,803,915**	11,043,132

Subsequent to the end of the interim reporting period, at a meeting held on 13 February 2015, the directors declared an interim dividend of 0.2 HK cent per share (31 December 2013: 0.2 HK cent per share) with an aggregate amount of HK$9,202,610 (31 December 2013: HK$7,362,088) based on the number of shares in issue at 13 February 2015.

7 (LOSS)/EARNINGS PER SHARE

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

	Six months ended 31 December	
	2014	2013
(Loss)/earnings		
(Loss)/earnings for the purposes of basic and diluted (loss)/earnings per share ((Loss)/profit attributable to owners of the Company for the period)	**HK$(25,229,049)**	HK$26,273,736
		restated
Number of shares		
Number of ordinary shares for the purpose of basic and diluted earnings per share	**4,601,304,882**	3,690,886,269

Note:

The computation of diluted earnings per share for the six months ended 31 December 2013 does not assume the exercise of the Company's share options because the exercise prices of those share options were higher than the average market price for the shares during that period. All share options lapsed during the last year. The number of ordinary shares adopted in the calculation of the basic and diluted (loss)/earnings per share for the years of 2014 and 2013 have been adjusted to reflect the bonus element of the open offer completed during the year ended 30 June 2014.

8 OTHER RECEIVABLE

During the year ended 30 June 2011, the Group deposited an amount of HK$40,000,000 (the "Escrow Funds"), into an escrow account maintained by an international law firm in Hong Kong pursuant to the terms of an escrow agreement dated 28 March 2011. As has been widely reported, a partner of the law firm with which the funds were deposited has been arrested by the Hong Kong Police and charged with theft and forgery with respect to monies held in the law firm's escrow account. In August 2013, it was reported that the partner pleaded guilty to fraud and money laundering and was sentenced to jail for 12 years.

The law firm has not returned the Escrow Funds despite a demand for payment by the Group. The Group has commenced legal proceedings against the law firm and its partners for recovery of the Escrow Funds. The Group's legal counsel has reviewed the documentary evidence in respect of the escrow agreement, has analysed the legal duties and obligations of the law firm arising from the terms of the escrow agreement and has analysed the legal and professional duties and obligations of the law firm arising from the receipt of the Escrow Funds (which were client monies and held in trust). The Group's legal counsel is of the opinion that the Group has good prospects on succeeding on its claim to recover the Escrow Funds and that it is very likely that any judgement obtained would be satisfied. However, there might be a reduction in the ultimate recovery of the Escrow Funds by the amount of the service fees paid to the Group and legal fees and expenses for the lawsuit which might not be entirely recovered.

The management of the Group currently considers that the Escrow Funds excluding the fees paid to the Group and the legal fees and expenses for the lawsuit would be recovered eventually, taking into account the nature of the escrow agreement and the opinion of Group's legal counsel as set forth above. Moreover, in the event of the Group might not recover the Escrow Funds in full, the management will take all possible courses of action in order to recover the remaining amount from the assets of the partners of the law firm if necessary. As the timing of recovering this amount is expected to be more than twelve months, the Group has discounted the Escrow Funds by using the effective interest method.

9 ACCOUNTS, LOANS AND OTHER RECEIVABLES

	Notes	**31 December 2014** *HK$*	30 June 2014 *HK$*
Accounts and loans receivables			
Amounts due from brokers and clearing houses	*(a)*	**125,460,644**	66,355,628
Amounts due from margin clients	*(b)*	**35,344,918**	28,096,091
Amounts due from cash clients	*(c)*	**280,666,973**	35,660,411
Fixed-rate loan receivables	*(d)*	**34,500,000**	16,000,000
Other accounts receivable	*(e)*	**5,068,231**	15,774,871
		481,040,766	161,887,001
Less: Impairment losses		**(13,687,266)**	(13,687,266)
		467,353,500	148,199,735
Prepayments, deposits and other receivables		**4,933,373**	5,046,633
		472,286,873	153,246,368

Notes:

(a) Amounts due from brokers and clearing houses are required to be settled on the settlement day determined under the relevant market practices or exchange rules.

The Group maintains clients' monies arising from the ordinary course of business of dealing in options and futures contracts in trust with The SEHK Options Clearing House Limited ("SEOCH") and HKFE Clearing Corporation Limited ("HKFECC"). At 31 December 2014, the Group held HK$3,746,955 (30 June 2014: HK$4,240,892) with SEOCH and HK$14,600,400 (30 June 2014: HK$5,804,585) with HKFECC in trust for clients which were not dealt with in these unaudited condensed consolidated financial statements. The Group placed a deposit of HK$5,354,693 and securities with fair value of HK$645,000 with SEOCH and a deposit of HK$155,187 with HKFECC as margin deposits for the business of dealing in options and futures contracts as at 31 December 2014 (30 June 2014: HK$nil).

The amount due from a broker of HK$6,435,195 (30 June 2014: HK$3,955,835) was pledged as securities for the stock borrowing transactions.

(b) Margin clients of the brokerage division are required to pledge securities as collateral to the Group in order to obtain the credit facilities for securities trading. The amount of credit facilities granted to them is determined based on a discount on the value of securities accepted by the Group. At 31 December 2014, the total market value of securities pledged as collateral in respect of the loans to margin clients was approximately HK$177 million (30 June 2014: HK$113 million). The amounts due from margin clients are repayable on demand and bear interest at commercial rates.

(c) There are no credit facilities granted to cash clients of the brokerage division except for re-financing of IPO subscriptions. They are required to settle their securities trading balances on the settlement day determined under the relevant market practices or exchange rules.

(d) The credit terms for loans granted by the Group's brokerage division are set by management with reference to the financial background and the value and nature of collateral pledged by the borrowers. The fixed-rate loans receivable secured by personal/corporate guarantee and/or by marketable securities listed on the AIM Board of The London Stock Exchange/the GEM Board of HKEX. The contractual maturity date of the fixed-rate loan receivables is repayable within one year.

(e) The balance included an amount of HK$65,000 (30 June 2014: HK$65,000) receivable from an associate arising from normal business transactions. The Group normally allows credit periods of up to 30 days to customers, except for certain creditworthy customers with long term relationship and stable repayment pattern, where the terms are extended to a longer period.

The ageing analysis of accounts and loans receivables net of impairment losses based on invoice/advanced/trade date/contractual maturity date is as follows:

	31 December 2014	30 June 2014
	HK$	*HK$*
Current and within one month	**458,977,726**	146,068,220
More than one month and within three months	**6,591,249**	1,490,000
More than three months	**1,784,525**	641,515
	467,353,500	148,199,735

10 ACCRUALS, ACCOUNTS AND OTHER PAYABLES

	31 December 2014	30 June 2014
	HK$	*HK$*
Accounts payable (current and within one month)		
Amounts due to brokers and clearing houses	**155,052,549**	15,078,339
Clients' accounts payable (net of bank and clearing house balances in segregated clients' accounts)	**207,285,995**	51,804,001
Others	**636,533**	8,206,545
	362,975,077	75,088,885
Other creditors, accruals and other provision	**21,595,845**	25,895,083
	384,570,922	100,983,968

MANAGEMENT DISCUSSION AND ANALYSIS

The Market

The major markets around the world were excited by the monetary easing policies recently adopted by the major economies other than the United States. Negative news was met with positive reactions in the capital markets due to higher hopes of more fiscal and monetary stimulus from the governments. Though the quota utilisation of the Shanghai Hong Kong Stock Connect program was below original expectations, the overall market turnover in Hong Kong still improved. Geopolitical tensions also played a role but the market was more focused on the substantial fall in commodity prices and the resultant impact on inflation and interest rate outlook. At these relative high market index levels, any major unexpected events can cause volatile movement in the markets.

The Hang Seng Index closed at 23,605 at the end of December 2014, compared with 23,191 at the end of June 2014 and 23,306 at the end of December 2013. The average monthly turnover on the Main Board and GEM Board during the six months ended 31 December 2014 ("the first half year of FY2015") was approximately HK$1,423 billion, an increased of 20% as compared to HK$1,190 billion for the first half year of FY2014. Funds raised from IPOs on the Main Board in the first half year of FY2015 increased by 17% to HK$148 billion, as compared to HK$127 billion for the first half year of FY2014.

Financial Highlights

The Group recorded a loss of HK$25 million for the first half year of FY2015, as compared to a profit of HK$26 million for the first half year of FY2014. After taking into account the other comprehensive income for the period, the Group achieved a total comprehensive expense of HK$12 million, as compared to total comprehensive income of HK$34 million for the first half year of FY2014. The revaluation surplus recongised for the land and buildings held for own use increased by HK$8 million to HK$13 million for the first half year of FY2015. Commission and fee income from our financial intermediary business was HK$43 million for the first half year of FY2015, marginally improved from HK$42 million for the first half year of FY2014. The Group recorded a net loss on the disposal of financial assets/liabilities and the remeasurement to fair value of HK$16 million, as compared to a net gain of HK$35 million for the first half year of FY2014.

General and administrative expenses amounted to HK$54 million for the first half year of FY2015, about the same as compared to HK$53 million for the first half year of FY2014. The staff costs increased by HK$1 million, which was in line with the higher fee income.

The Group has deposited HK$40 million into an escrow account of a law firm but the law firm failed to return the deposit to the Group. The Group's legal counsel is of the opinion that the Group has good prospects of succeeding on its claim against the law firm and that it is very likely that any judgement obtained would be satisfied. However, there might be a reduction in the ultimate recovery of the Escrow Funds by the amount of the service fees paid to the Group and legal fees and expenses for the lawsuit which might not be entirely recovered.

Brokerage

Total revenue of the division was HK$26 million for the first half year of FY2015, compared to HK$25 million for the first half year of FY2014. The increase in high net worth clients improved the performance of our retail sales team in the first half year of FY2015. Interest income from margin, IPO and loan financing increased by 16% in this period. The Group continued to streamline its operation to reduce the overhead expenses.

Corporate Finance and Capital Markets

Total revenue of the division was HK$22 million for the first half year of FY2015, compared with HK$19 million for the first half year of FY2014. The equity capital market activities remained vibrant in the first half year of FY2015. The division completed several underwriting and placing transactions and the fee income increased by 17% for the first half year of FY2015. Higher variable staff cost was recorded in this period because of higher underwriting and placing fee income.

Asset Management

Total revenue of the division was HK$1 million for the first half year of FY2015, while there was no material revenue recognised for the first half year of FY2014. The division is working with the investment fund that the Group has a majority interest to increase the assets under management to generate more revenue.

Investment in Securities

Total revenue of the division was HK$3 million for the first half year of FY2015, same as the first half year of FY2014. After including net gain/loss on disposal of financial assets/liabilities at fair value through profit or loss and remeasurement to fair value, total loss was HK$14 million for the first half year of FY2015, compared with total income of HK$37 million for the first half year of FY2014. The Hang Seng Index slightly increased by 2% during the first half year of FY2015. However, several small cap shares in our investment portfolio underperformed and affected the overall performance of the division. The division continued to increase the proportion of the listed debt securities in its investment portfolio to diversify the investment risk and stabilise the investment return.

Structured Investment

There was no material revenue recognised by the division for the first half year of FY2015. After including net gain/loss on disposal of financial assets/liabilities at fair value through profit or loss and remeasurement to fair value, total income was HK$1 million for the first half year of FY2015, compared with no income for the first half year of FY2014. The division is now looking for suitable investment opportunities.

Outlook

Despite the relative high level of the markets, valuations are still below the historical levels that trigger major corrections. We are therefore cautiously optimistic about the markets, which will likely be range trading but with higher volatility in the coming months. We will position ourselves accordingly in our agency and proprietary investment businesses.

Liquidity and Financial Resources

Total assets as at end of December 2014 were HK$1,212 million, of which approximately 67% were current in nature. Net current assets were HK$321 million, accounting for approximately 45% of the net assets of the Group as at end of December 2014. Cash and cash equivalents of the Group amounted to HK$132 million as at end of December 2014, which were denominated mainly in Hong Kong dollars.

The Group generally finances its daily operations from internal resources. Total borrowing of approximately HK$72 million at the end of December 2014 represented the secured bank loan for financing the acquisition of office property. The bank loan was denominated in Hong Kong dollars and charged at floating interest rate. The bank loan facility matured in January 2015 and the Group entered into a new term loan agreement with the bank. The total bank loan amount was reduced to HK$60 million and the loan period was 15 months.

The Group's gearing ratio, calculated as a percentage of total borrowings over shareholder's equity, was approximately 10% at the end of December 2014. The office property with carrying value of HK$285 million was pledged as securities against bank loan granted to the Group.

Foreign Exchange Exposure

The Group's assets are mainly in Hong Kong and the PRC and most of the monetary assets and liabilities of the Group are denominated in HK$. As part of our investment monitoring, financial assets denominated in foreign currencies, including equity and debt investments, are monitored on a daily basis together with the changes in market value of these investments. Hedging instruments may be used as part of the overall investment strategy if deemed necessary by the investment managers. The Group purchased properties in the PRC for its own use. There was steady appreciation of RMB against HK$ in the last few years, though there were evidences of increase in volatility in 2014. Taking into account all relevant macroeconomic factors, the Group believes that there is no need to hedge these assets denominated in RMB. Management will monitor the situation closely and introduce suitable hedging measures if there are any adverse changes. The Group does not have other material exposure to fluctuation in exchange rates and no hedging instruments are used.

Employees

As at 31 December 2014, the number of full time employees of the Group was 110 (30 June 2014: 112). There have been no significant changes in the employment, training or development policies of the Group since the publication of the annual report for the year ended 30 June 2014.

INTERIM DIVIDEND

The Board of Directors has declared an interim dividend of 0.2 HK cent per ordinary share for the six months ended 31 December 2014 (six months ended 31 December 2013: 0.2 HK cent). The dividend will be payable on or about Tuesday, 14 April 2015 to shareholders whose names appear on the Register of Members at the close of business on Friday, 27 March 2015.

CORPORATE GOVERNANCE CODE

The Company has applied the principles and has complied with the code provisions of the Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited throughout the six months ended 31 December 2014 except for a deviation which is summarised below:

Pursuant to code provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term, subject to reelection and, pursuant to code provision A.4.2 of the CG Code, all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment and every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. The Non-executive Directors of the Company are not all appointed for a specific term but are subject to retirement by rotation and re-election at the Annual General Meeting (AGM) of the Company. Pursuant to the Bye-laws of the Company, at each AGM one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years. The Board considers that the non-executive directors appointed without a specific term will not impair the quality of corporate governance of the Group as required by the principles set out in CG Code A.4.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. The Company has made specific enquiry of all directors regarding any non-compliance with the Model Code during the six months period under review and they have all confirmed that they have complied with the required standard set out in the Model Code.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Tuesday, 24 March 2015 to Friday, 27 March 2015, both days inclusive, during which period no transfers of shares will be registered. To determine entitlement to the interim dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrars, Computershare Hong Kong Investor Services Limited (at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong), for registration not later than 4:00p.m. on Monday, 23 March 2015.

AUDIT COMMITTEE REVIEW

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed financial reporting matters including the review of the interim report and the unaudited condensed consolidated financial statements for the six months ended 31 December 2014. Terms of reference of the Audit Committee are available on request to shareholders of the Company.

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

During the six months ended 31 December 2014, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The Group's external auditor has carried out a review of the unaudited condensed consolidated financial statements 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. Deloitte Touche Tohmatsu independent review report is included in the interim report to be sent to shareholders.

On behalf of the Board
Michael Koon Ming Choi
Chief Executive Officer

Hong Kong, 13 February 2015

As at the date of this announcement, the directors of the Company are Jonathan Koon Shum Choi as Chairman, Michael Koon Ming Choi as Chief Executive Officer & Executive Director, Janice Wing Kum Kwan and Lee G. Lam as Non-Executive Directors and Robert Tsai To Sze, Stanley Kam Chuen Ko and Elizabeth Law as Independent Non-Executive Directors.