BEP INTERNATIONAL HOLDINGS LIMITED

百靈達國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 2326)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2015

FINAL RESULTS

The Board of Directors (the "Board") of BEP International Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2015.

FINAL DIVIDEND

The Board has resolved to recommend a final dividend of HK0.04 cent per share for the year ended 31 March 2015 (2014: nil) subject to approval of shareholders at the forthcoming annual general meeting. The proposed final dividend will be distributed on or about Monday, 21 September 2015 to shareholders whose names appear on the register of members of the Company as at the close of business on Wednesday, 26 August 2015.

CLOSURE OF REGISTER OF MEMBERS FOR FINAL DIVIDEND

The register of members of the Company will be closed on Wednesday, 26 August 2015 during which no transfer of shares will be registered. The last day for dealing in the Company's shares cum-entitlement to the proposed final dividend will be Friday, 21 August 2015. In order to qualify for the entitlement to the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 25 August 2015.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2015

	Notes	2015 HK$'000	2014 HK$'000
Revenue	3(a)	**633,957**	220,168
Cost of sales		**(574,028)**	(210,380)
Gross profit		**59,929**	9,788
Other revenue and other net income	4	**3,492**	4,771
Selling and distribution costs		**(4,390)**	(2,005)
Administrative expenses		**(30,102)**	(13,465)
Other operating expenses		**(88)**	(2,583)
Profit/(loss) from operations		**28,841**	(3,494)
Finance costs	5(a)	**(8,798)**	(233)
Profit/(loss) before taxation	5	**20,043**	(3,727)
Income tax	6	**(4,441)**	(604)
Profit/(loss) for the year		**15,602**	(4,331)
Attributable to:			
Owners of the Company		**17,198**	(3,680)
Non-controlling interests		**(1,596)**	(651)
Profit/(loss) for the year		**15,602**	(4,331)
		HK cent	*HK cent* (restated)
Earnings/(loss) per share	8		
Basic and diluted		**0.085**	(0.018)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 March 2015

	2015	2014
	HK$'000	*HK$'000*
Profit/(loss) for the year	**15,602**	(4,331)
Other comprehensive income/(expenses) for the year		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	**3**	(62)
Reclassification adjustments relating to overseas subsidiaries disposed of during the year	**(511)**	–
Other comprehensive expenses for the year (net of nil tax (2014: nil))	**(508)**	(62)
Total comprehensive income/(expenses) for the year	**15,094**	(4,393)
Attributable to:		
Owners of the Company	**16,687**	(3,742)
Non-controlling interests	**(1,593)**	(651)
	15,094	(4,393)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

	Notes	2015 HK$'000	2014 HK$'000
Non-current assets			
Property, plant and equipment		**1,879**	1,621
Goodwill	9	**5,368**	–
Other intangible asset	10	**3,362**	–
Deferred tax assets		**80**	58
Rental deposit		**640**	–
		11,329	1,679
Current assets			
Inventories		**8,808**	13,910
Tax recoverable		**–**	623
Trade and bills receivables	11	**305,382**	119,067
Prepayments, deposits and other receivables		**90,023**	7,307
Restricted bank deposits		**–**	120,952
Cash and cash equivalents		**85,348**	71,756
		489,561	333,615
Current liabilities			
Trade and bills payables	12	**21,514**	124,530
Accruals, deposits and other payables		**8,347**	5,504
Bank loan		**309**	–
Bank advances for discounted bills		**299,225**	52,112
Tax payable		**4,397**	610
		333,792	182,756
Non-current liabilities			
Deferred tax liabilities		**591**	31
Net assets		**166,507**	152,507
Equity			
Equity attributable to owners of the Company			
Share capital		**4,031**	4,031
Reserves		**160,123**	147,467
		164,154	151,498
Non-controlling interests		**2,353**	1,009
Total equity		**166,507**	152,507

Notes:

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied the following new and revised HKFRSs issued by the HKICPA:

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) – Int 21	Levies

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the new or amended HKFRSs are discussed below:

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) Investment Entities

The amendments provide consolidation relief to those parents which qualify to be an investment entity as defined in the amended HKFRS 10. Investment entities are required to measure their subsidiaries at fair value through profit or loss. These amendments do not have an impact on the consolidated financial statements as the Company does not qualify to be an investment entity.

Amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities

The amendments to HKAS 32 clarify the offsetting criteria in HKAS 32. The amendments do not have an impact on the consolidated financial statements as they are consistent with the policies already adopted by the Group.

Amendments to HKAS 39 Novation of Derivatives and Continuation of Hedge Accounting

The amendments to HKAS 39 provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. The amendments do not have an impact on the consolidated financial statements as the Group does not have any derivatives that are subject to novation.

HK(IFRIC) – Int 21 Levies

The Interpretation provides guidance on when a liability to pay a levy imposed by a government should be recognised. The amendments do not have an impact on the consolidated financial statements as the guidance is consistent with the Group's existing accounting policies.

Amendments to HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets

The amendments to HKAS 36 modify the disclosure requirements for impaired non-financial assets. Among them, the amendments expand the disclosures required for an impaired asset or cash-generating unit whose recoverable amount is based on fair value less costs of disposal. The Group early adopted the amendments in the consolidated financial statements for the year ended 31 March 2014.

In addition, the Company has early adopted the amendments to the Listing Rules issued by The Stock Exchange of Hong Kong Limited relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance during the current financial year. The adoption of the requirements has primarily impacted the presentation and disclosure of information in the consolidated financial statements. These changes mainly include the presentation of the Company's statement of financial position as a note disclosure instead of a primary statement, updating any references to the Companies Ordinance to refer to the current Companies Ordinance and replacing certain terminology no longer used in the Companies Ordinance with terminology used in HKFRS.

3. REVENUE AND SEGMENT REPORTING

(a) Revenue

Revenue represents the sales value of goods supplied and services rendered to customers. The amount of each significant category of revenue during the year is as follows:

	2015	2014
	HK$'000	*HK$'000*
Sourcing and sale of metal minerals and related industrial materials	**606,369**	117,853
Sale of electrical and electronic consumer products	**23,493**	102,315
Provision of logistics services	**4,095**	–
	633,957	220,168

(b) Segment reporting

The Group manage its businesses by divisions, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Group's chief executive officer (the chief operating decision maker) for the purposes of resources allocation and performance assessment, the Group has presented the following three reportable segments. No operating segments have been aggregated to form the following reportable segments.

(i) Sale of electrical and electronic consumer products;

(ii) Sourcing and sale of metal minerals and related industrial materials; and

(iii) Provision of logistics services.

During the year ended 31 March 2015, the chief operating decision maker has reassessed the Group's business and restructured its businesses of (a) sale of home electrical appliances, electronic products and related plastic injection components, (b) distribution and sale of electronic consumer products, and (c) sourcing and sale of computer and related products and metal minerals for manufacturing of parts and components of electrical and electronic products into businesses of (i) sale of electrical and electronic consumer products, and (ii) sourcing and sale of metal minerals and related industrial materials, for segment reporting. In addition, during the year ended 31 March 2015, the Group has acquired the subsidiaries. Consequently, a new segment, provision of logistics services has been included in the segment reporting. This new segment reporting is used by management to analyse its business performance.

The comparative information of the above has been restated to conform with the current year's presentation.

Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's chief executive officer monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include property, plant and equipment, goodwill, other intangible asset, inventories, trade and bills receivables, prepayments, deposits and other receivables, tax recoverable and deferred tax assets of each segment. Segment liabilities include trade and bills payables, accruals, deposits and other payables, bank loan, bank advances for discounted bills, tax payable and deferred tax liabilities of each segment.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is gross profit less selling and distribution costs of each segment.

In addition to receiving segment information concerning segment profits, the chief executive officer is provided with segment information concerning revenue, depreciation, impairment of property, plant and equipment, goodwill, trade receivables and other receivables, reversal of impairment allowance for trade receivables, written off of trade deposits paid, write-down of inventories, amortisation of other intangible asset, finance costs, income tax expense or income and additions to non-current segment assets used by the segments in their operations. Inter-segment sales are priced with reference to price charged to external parties for similar orders.

The accounting policies of the operating segments are the same as the Group's accounting policies.

Information regarding the Group's reportable segments as provided to the Group's chief executive officer for the purposes of resources allocation and assessment of segment performance for the years ended 31 March 2015 and 2014 is set out below:

	2015			
	Sale of electrical and electronic consumer products	**Sourcing and sale of metal minerals and related industrial materials**	**Provision of logistics services**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Revenue from external customers	**23,493**	**606,369**	**4,095**	**633,957**
Inter-segment revenue	**–**	**–**	**86**	**86**
Reportable segment revenue	**23,493**	**606,369**	**4,181**	**634,043**
Reportable segment (loss)/profit	**(1,878)**	**58,247**	**(830)**	**55,539**
Depreciation for property, plant and equipment	**(166)**	**–**	**(58)**	**(224)**
Amortisation of other intangible asset	**–**	**–**	**(840)**	**(840)**
Impairment of trade receivables	**(88)**	**–**	**–**	**(88)**
Reversal of impairment allowance for trade receivables	**30**	**–**	**–**	**30**
Finance costs	**–**	**(8,595)**	**(203)**	**(8,798)**
Income tax (expense)/income	**(12)**	**(4,760)**	**508**	**(4,264)**
Reportable segment assets	**11,620**	**383,496**	**18,728**	**413,844**
Additions to non-current segment assets during the year	**–**	**–**	**10,996**	**10,996**
Reportable segment liabilities	**9,416**	**316,099**	**6,261**	**331,776**

	2014 (Restated)		
	Sale of electrical and electronic consumer products	Sourcing and sale of metal minerals and related industrial materials	Total
	HK$'000	*HK$'000*	*HK$'000*
Reportable segment revenue from external customers	102,315	117,853	220,168
Reportable segment profit	373	7,410	7,783
Depreciation for property, plant and equipment	(507)	–	(507)
Impairment of:			
– goodwill	(819)	–	(819)
– trade receivables	(860)	–	(860)
– other receivables	(21)	–	(21)
– property, plant and equipment	(190)	–	(190)
Written off of trade deposits paid	(693)	–	(693)
Write-down of inventories	(100)	–	(100)
Finance costs	–	(233)	(233)
Income tax income/(expense)	20	(610)	(590)
Reportable segment assets	23,973	117,900	141,873
Additions to non-current segment assets during the year	8	–	8
Reportable segment liabilities	19,511	163,091	182,602

There are no inter-segment sales during the year ended 31 March 2014.

Reconciliation of reportable segment revenue, profit, assets, liabilities and other items

	2015 *HK$'000*	2014 *HK$'000*
Revenue		
Total reportable segment revenue	**634,043**	220,168
Elimination of inter-segment revenue	**(86)**	–
Consolidated turnover	**633,957**	220,168
Profit		
Total reportable segment profit derived from the Group's external customers	**55,539**	7,783
Other revenue and other net income	**3,492**	4,771
Depreciation of reportable segment not included in measurement of segment profit	**(174)**	(353)
Amortisation of other intangible asset	**(840)**	–
Written off of trade deposits paid	**–**	(693)
Impairment loss for property, plant and equipment	**–**	(190)
Impairment allowance for trade receivables	**(88)**	(860)
Impairment allowance for other receivables	**–**	(21)
Impairment loss for goodwill	**–**	(819)
Finance costs	**(8,798)**	(233)
Unallocated head office and corporate expenses		
– Depreciation	**(163)**	(121)
– Staff costs (including directors' emoluments)	**(17,762)**	(8,115)
– Others	**(11,163)**	(4,876)
Consolidated profit/(loss) before taxation	**20,043**	(3,727)
Assets		
Total reportable segment assets	**413,844**	141,873
Elimination of inter-segment receivable	**(19)**	–
	413,825	141,873
Unallocated head office and corporate assets		
– Restricted bank deposits	**–**	120,952
– Cash and cash equivalents	**85,348**	71,756
– Others	**1,717**	713
Consolidated total assets	**500,890**	335,294
Liabilities		
Total reportable segment liabilities	**331,776**	182,602
Elimination of inter-segment payable	**(19)**	–
	331,757	182,602
Unallocated head office and corporate liabilities		
– Others	**2,626**	185
Consolidated total liabilities	**334,383**	182,787

	2015 *HK$'000*	2014 *HK$'000*
Other items		
Depreciation for property, plant and equipment		
Reportable segment total	**224**	507
Unallocated head office and corporate total	**163**	121
Consolidated total	**387**	628
Income tax expense		
Reportable segment total	**4,264**	590
Unallocated head office and corporate total	**177**	14
Consolidated total	**4,441**	604
Additions to non-current segment assets during the year		
Reportable segment total	**10,996**	8
Unallocated head office and corporate total	**1,126**	189
Consolidated total	**12,122**	197

Revenue from major products and services

The following is an analysis of the Group's revenue from its major products and services:

	2015 *HK$'000*	2014 *HK$'000*
Metal minerals and related industrial materials	**606,369**	117,853
Electrical and electronic consumer products	**23,493**	102,315
Logistics services	**4,095**	–
	633,957	220,168

Geographic information

The following is an analysis of the geographical location of (i) the Group's revenue from external customers; and (ii) the Group's property, plant and equipment, goodwill, other intangible asset and non-current rental deposit. The geographical location of customers refers to the location at which the goods were delivered or the services were provided. The geographical locations of property, plant and equipment and non-current rental deposit are based on the physical location of the assets under consideration. In the case of goodwill and other intangible asset, it is based on the location of the operation to which these intangibles are allocated.

	Revenue from external customers		**Non-current assets**	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong (place of domicile)	**14,795**	45,343	**9,883**	191
The People's Republic of China ("PRC") except Hong Kong	**612,913**	164,239	**1,366**	1,430
Other Asian countries	**–**	23	**–**	–
Europe	**4,823**	9,440	**–**	–
Others	**1,426**	1,123	**–**	–
	633,957	220,168	**11,249**	1,621

Information about major customers

Revenue from customers contributing 10% or more of the total sales of the Group are as follows:

	2015	2014
	HK$'000	*HK$'000*
Largest customer *(note)*	**568,275**	117,853

Note:

Revenue from the above customer arose from the business of sourcing and sale of metal minerals and related industrial materials for the years ended 31 March 2015 and 2014.

4. OTHER REVENUE AND OTHER NET INCOME

	2015	2014
	HK$'000	*HK$'000*
Other revenue		
Interest income on bank deposits	**301**	648
Interest income on loans receivable	**182**	3,197
Total interest income on financial assets not at fair value through profit or loss	**483**	3,845
Loan handling income	**–**	45
Sundry income	**1,326**	189
Rental income	**78**	312
	1,887	4,391
Other net income		
Gain on disposal of subsidiaries	**1,575**	–
Gain on disposal of property, plant and equipment	**–**	58
Net foreign exchange gain	**–**	322
Reversal of impairment allowance for trade receivables *(note 11(b))*	**30**	–
	1,605	380
	3,492	4,771

5. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging/(crediting) the followings:

	2015	2014
	HK$'000	*HK$'000*
(a) Finance costs		
Interest on bank loans and overdrafts	**203**	–
Bills discount charges	**8,595**	233
Total interest expense on financial liabilities not at fair value through profit or loss	**8,798**	233
(b) Staff costs (including directors' emoluments)		
Salaries, wages and other benefits	**20,259**	12,863
Contributions to defined contribution retirement plans	**610**	563
	20,869	13,426

	2015	2014
	HK$'000	*HK$'000*

(c) Other items

	2015 *HK$'000*	2014 *HK$'000*
Carrying amount of inventories sold	**569,017**	210,280
Write down of inventories	**–**	100
Cost of inventories #	**569,017**	210,380
Auditors' remuneration	**796**	756
Amortistion of other intangible asset	**840**	–
Depreciation for property, plant and equipment	**387**	628
Operating lease charges: minimum lease payments	**4,800**	2,692
Loss/(gain) on disposal of property, plant and equipment	**20**	(58)
Written off of property, plant and equipment	**35**	–
Written off of trade deposits paid*	**–**	693
Impairment allowance for trade receivables*	**88**	860
Impairment allowance for other receivables*	**–**	21
Impairment loss for property, plant and equipment*	**–**	190
Impairment loss for goodwill*	**–**	819
Net foreign exchange loss/(gain)	**1,761**	(322)

Cost of inventories includes HK$899,000 (2014: HK$6,440,000) relating to staff costs, depreciation and operating lease charges for the year ended 31 March 2015 which amounts are also included in the respective total amounts disclosed separately in notes 5(b) and 5(c) for each of these types of expenses.

* These items are included in "Other operating expenses" on the face of the consolidated statement of profit or loss.

6. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Income tax in the consolidated statement of profit or loss represents:

	2015 *HK$'000*	2014 *HK$'000*
Current tax		
– Hong Kong Profits Tax *(note (i))*	**4,942**	610
– PRC Enterprise Income Tax ("EIT") *(note (ii))*	**–**	82
	4,942	692
(Over)/under-provision in respect of prior years		
– Hong Kong Profits Tax	**(346)**	11
– PRC EIT	**–**	1
	(346)	12
Deferred tax		
– Origination and reversal of temporary differences	**(155)**	(100)
Total	**4,441**	604

Notes:

(i) The provision for Hong Kong Profits Tax for 2015 is calculated at 16.5% (2014: 16.5%) of the estimated assessable profits for the year.

(ii) PRC subsidiaries are subject to PRC EIT at 25% (2014: 25%).

According to a joint circular of the Ministry of Finance and State Administration of Taxation, Cai Shui 2008 No. 1, only the profits earned by foreign-investment enterprise prior to 1 January 2008, when distributed to foreign investors, can be grandfathered and exempted from withholding tax. Dividend distributed out of the profits generated thereafter shall be subject to the EIT at 5% or 10% and withheld by the PRC entities.

(iii) The Group is not subject to any taxation under the jurisdiction of Bermuda, Samoa and the British Virgin Islands for the years ended 31 March 2015 and 2014.

7. DIVIDENDS

Dividends paid/payable to owners of the Company attributable to the years are as follows:

	2015	2014
	HK$'000	*HK$'000*
Interim dividend declared and paid of HK0.2 cent per ordinary share (2014: nil cent per ordinary share)	**4,031**	–
Final dividend proposed after the end of the reporting period of HK0.04 cent per ordinary share (2014: nil cent per ordinary share)	**8,180**	–
	12,211	–

A final dividend of HK0.04 cent per ordinary share in respect of the year ended 31 March 2015 was proposed by the Board on 29 June 2015. Such final dividend is subject to approval by the shareholders at the forthcoming annual general meeting.

The consolidated financial statements do not reflected this dividend payable.

8. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit for the year attributable to owners of the Company of HK$17,198,000 (2014: loss of HK$3,680,000) and the weighted average number of 20,154,072,140 ordinary shares (2014 (restated): 20,154,072,140 ordinary shares) outstanding during the year.

The number of ordinary shares for both years for the purposes of calculating basic earnings/(loss) per share has been adjusted for the share subdivision of every one share into ten shares which became effective on 9 June 2015. As a consequence, the amount of basic loss per share for the year ended 31 March 2014 has been restated from HK0.18 cent to HK0.018 cent.

(b) Diluted earnings/(loss) per share

Diluted earnings/(loss) per share is the same as the basic earnings/(loss) per share as there were no potential ordinary shares outstanding during the years ended 31 March 2015 and 2014.

9. GOODWILL

	2015	2014
	HK$'000	*HK$'000*
Cost		
At beginning of the year	**819**	819
Arising on acquisition of subsidiaries during the year	**5,368**	–
Derecognised on disposal of subsidiaries	**(819)**	–
At end of the year	**5,368**	819
Accumulated impairment losses		
At beginning of the year	**819**	–
Impairment loss	**–**	819
Derecognised on disposal of subsidiaries	**(819)**	–
At end of the year	**–**	819
Carrying amount	**5,368**	–

For purposes of impairment testing, goodwill has been allocated to a cash-generating unit ("CGU"). A subsidiary of the Company, Shing Kee International Logistics Holdings Limited ("SKIL") together with its subsidiary, Shing Kee Sea-land Logistics & Warehousing (Shenzhen) Co., Ltd. (literal translation of 勝記海陸物流倉(深圳)有限公司) (collectively the "SKIL Group"), are principally engaged in logistics businesses comprising warehouse, transportation and cargo handling in Hong Kong and PRC. The management considered SKIL Group is a CGU as synergies are derived in such arrangement.

10. OTHER INTANGIBLE ASSET

	Customer relationship
	HK$'000
Cost	
At 1 April 2013, 31 March 2014 and 1 April 2014	–
Acquisition through business combination	4,202
At 31 March 2015	4,202
Accumulated amortisation	
At 1 April 2013, 31 March 2014 and 1 April 2014	–
Charge for the year	840
At 31 March 2015	840
Carrying amount	
At 31 March 2015	3,362
At 31 March 2014	–

The amortisation charge for the year is included in "administrative expenses" in the consolidated statement of profit or loss.

11. TRADE AND BILLS RECEIVABLES

	2015	2014
	HK$'000	*HK$'000*
Trade and bills receivables	**305,470**	119,927
Less: Allowance for doubtful debts *(note (b))*	**(88)**	(860)
	305,382	119,067

All of the trade and bills receivables are expected to be recovered within one year.

Notes:

(a) Age analysis

The following is an analysis of trade and bills receivables by age, presented based on the invoice date or the bills issue date, and net of allowance for doubtful debts:

	2015	2014
	HK$'000	*HK$'000*
0 – 60 days	**169,247**	118,203
61 – 120 days	**74,259**	251
121 – 180 days	**61,075**	–
Over 180 days	**801**	613
	305,382	119,067

Trade and bills receivables are due within 30 to 180 days (2014: 30 to 180 days) from the date of billing.

(b) Impairment of trade and bills receivables

Impairment losses in respect of trade and bills receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade and bills receivables directly.

Movements in the allowance for doubtful debts

	Notes	**2015** HK$'000	2014 HK$'000
At beginning of the year		**860**	–
Impairment loss recognised	(i)	**88**	860
Amount written off upon disposal of subsidiaries	(ii)	**(470)**	–
Uncollectible amount written off	(iii)	**(360)**	–
Reversal of impairment allowance	(iv)	**(30)**	–
At end of the year	(i)	**88**	860

Notes:

(i) At 31 March 2015, trade receivables of the Group amounting to HK$88,000 (2014: HK$860,000) were individually determined to be impaired. The individually impaired receivables were outstanding for over 365 days at the end of the reporting period or were due from customers with financial difficulties. Accordingly, specific allowances for doubtful debts of HK$88,000 (2014: HK$860,000) were recognised.

(ii) Upon disposal of subsidiaries during the year ended 31 March 2015, trade receivables amounted to HK$470,000 individually determined to be impaired in prior year were written off.

(iii) As at 31 March 2015, bad debt of HK$360,000 (2014: nil) was written off against trade receivables directly as the Group assessed recovery of the amount is remote.

(iv) HK$30,000 (2014: nil) of the trade receivables previously impaired was recovered during the year. Therefore, the impairment allowance was reversed.

12. TRADE AND BILLS PAYABLES

	2015	2014
	HK$'000	*HK$'000*
Trade and bills payables	**21,514**	124,530

Notes:

(a) All of the trade and bills payables are expected to be settled within one year.

(b) At 31 March 2015, there is no trade and bills payable being secured. At 31 March 2014, included within trade and bills payable were bills payables of HK$110,071,000 being secured by the restricted bank deposits of HK$120,031,000.

(c) The following is an analysis of trade and bills payables by age presented based on the invoice date or the bills issue date:

	2015	2014
	HK$'000	*HK$'000*
0 – 60 days	**4,112**	110,265
61 – 120 days	**1,180**	14,135
121 – 180 days	**213**	11
Over 180 days	**16,009**	119
	21,514	124,530

OPERATIONS REVIEW

The year ended 31 March 2015 was a year of success of the Group. The Group reported a turnover of HK$633,957,000, which showed a remarkable increase of 1.9 times when compared with HK$220,168,000 in the previous year, and gross profit of HK$59,929,000, which jumped by 5.1 times when compared to HK$9,788,000 in last year. The surge of the Group's turnover and gross profit for the year ended 31 March 2015 were mainly the results of the significant business development achieved by the sourcing and sale of metal minerals and related industrial materials business segment. As a result of the substantial increase in turnover and gross profit of the Group, the Group posted a profit after tax for the year amounting to HK$15,602,000, which was in sharp contrast to the loss after tax of HK$4,331,000 recorded in last year. The profit attributable to owners of the Company for the year amounted to HK$17,198,000, (2014: loss of HK$3,680,000) whereas earnings per share was HK0.085 cent (2014: loss per share of HK0.018 cent (restated)).

The results of the Group's operation in sourcing and sale of metal minerals and related industrial materials which commenced in the first quarter of 2014 have been very encouraging. For the year ended 31 March 2015, the operation reported revenue of HK$606,369,000 and operating profit of HK$58,247,000, which showed a strong growth from the three months results included in the last financial year that reported revenue of HK$117,853,000 (restated) and operating profit of HK$7,410,000 (restated). The successful results achieved were primarily attributable to the increase in volume of metal minerals and related industrial materials transacted during the year, which was in turn a result of the management's efforts in expanding the operation's supplier and customer base.

During the year under review, the Group diversified its businesses to logistics industry through the acquisition of 60% equity interest in a logistics company and its subsidiary which was completed in December 2014. The logistics operation posted revenue and gross loss of HK$4,181,000 and HK$830,000 respectively for the 4 months ended 31 March 2015. Performance of this operation was adversely affected due to seasonal impact and expenses incurred in restructuring the operation. The Group will explore opportunities to integrate the logistics operation with its sourcing and sale of metal minerals and related industrial materials operation so as to provide a full range of integrated services including sourcing, logistics and warehousing to meet the specific needs of its customers.

The Group's operation of sale of electrical and electronic consumer products reported revenue of HK$23,493,000 (2014: HK$102,315,000 (restated)) representing decreases of 77% from last year and segment loss of HK$1,878,000 in contrast to the profit of HK$373,000 (restated) in the last year as a result of drop in demand and decline in profit margin due to intense price competition. The scale of this operation has been downsized owing to the increasingly challenging business environment faced by the Group. During the year, with the view to better utilize its resources, the Group disposed of a few subsidiaries principally engaged in the manufacture and sale of electrical and electronic consumer products due to losses incurred by them in the past years.

The Group reported profit for the year of HK$15,602,000 in contrast to the loss of HK$4,331,000 in last year. Other comprehensive expenses of HK$508,000 (2014: HK$62,000) being exchange differences on translation of financial statements of overseas subsidiaries and reclassification adjustments relating to overseas subsidiaries disposal of during the year were recognized with the result that the Group recorded total comprehensive income for the year of HK$15,094,000 compared to total comprehensive expenses of HK$4,393,000 in the prior year. The Group's total comprehensive income, net of tax, attributable to owners of the Company was HK$16,687,000 for the year under review compared to comprehensive expenses of HK$3,742,000 in last year.

FINANCIAL REVIEW

During the year ended 31 March 2015, the Group financed its operations mainly by cash generated from its business activities and credit facilities provided by banks. As at 31 March 2015, the Group had current assets of HK$489,561,000 (2014: HK$333,615,000) comprising cash and bank balances of HK$85,348,000 with nil balance for restricted bank deposits (2014: HK$192,708,000 including HK$120,952,000 restricted bank deposits for trade facilities granted by bank). The Group's current ratio, calculated based on current assets over current liabilities of HK$333,792,000 (2014: HK$182,756,000) was at a healthy ratio of 1.47 (2014: 1.83).

As at 31 March 2015, the Group's trade and bills receivables amounted to HK$305,382,000 (2014: HK$119,067,000), trade deposit paid amounted to HK$77,444,000 (2014: HK$6,162,000) and bank advances for discounted bills amounted to HK$299,225,000 (2014: HK$52,112,000). Such increases in the Group's trade and bills receivables, trade deposit paid and bank advances for discounted bills were mainly due to the surge in trade volume of metal minerals and related industrial materials transacted during the year.

At the year end, the Group's equity attributable to owners of the Company amounted to HK$164,154,000 (2014: HK$151,498,000). The increase in equity attributable to owners of the Company was mainly due to the profit earned by the Group during the year.

The Group's finance costs for the year under review was HK$8,798,000 (2014: HK$233,000) which was primarily interest paid on discounting of bills receivables. The increase in finance costs was due to the increase in bills received as a result of the surge in trade volume of metal minerals and related industrial materials transacted during the year. The Group's gearing ratio represented its total borrowings over the sum of equity attributable to owners of the Company and total borrowings of the Group. At the year end, the Group's borrowings comprised bank advances for discounted bills and bank loan of HK$299,225,000 and HK$309,000 respectively (2014: HK$52,112,000 and nil), as the Group's equity attributable to owners of the Company stood at HK$164,154,000 (2014: HK$151,498,000), the Group's gearing ratio was therefore at about 65% (2014: 26%).

Pledge of Assets

As at 31 March 2015, the bank advances for discounted bills of HK$299,225,000 (2014: HK$52,112,000) was secured by the same amount of the Group's bills receivables.

Capital Commitments

As at 31 March 2015, the Group had no material capital commitments (2014: nil).

Contingent Liabilities

As at 31 March 2015, the Group had no material contingent liabilities (2014: nil).

PROSPECTS

Looking ahead, the Group is optimistic about the demand of metal minerals and related industrial materials in China. China is expected to maintain a moderate economic growth through directed easing policies even in face of external economic uncertainties. The Group will continue to pursue its business growth strategy and will devote more resources in further expanding the product range of sourcing and sale of metal minerals and related industrial materials so as to increase its volume of business and profitability. The Group also plans to strengthen its sales and marketing force with emphasis on serving needs of different customers in different geographical markets so as to achieve further growth and establish its foothold in the overseas markets.

Besides, for the purpose of facilitating the Group's business development, which would be in the best interest of the Group and the Shareholders as a whole, the Group will, with the support from investment banks and professional advisers, explore opportunities for participating in projects with promising prospects and sourcing prospective investors with sound background and financial strengths. The management hope all these will help the Group's performance to scale new heights.

Amid the difficult operating environment with respect to the electrical and electronic consumer products businesses, the Group will regularly monitor and review these businesses with careful consideration to improve their financial performance.

The Group will continue to develop its existing businesses and will also be proactively seizing new business opportunities with bright prospects and good returns aiming to create value to shareholders.

CORPORATE GOVERNANCE

The Company had adopted with all the applicable code provisions ("Code Provisions") of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Listing Rules for the year ended 31 March 2015, except for the following deviation with reason as explained:

Code Provision A.6.7

Under Code Provision A.6.7 of the CG Code which stipulates, among others, that independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of the shareholders. Due to other business engagement, Mr. Suen Cho Hung, Paul, a non-executive director (resigned on 1 June 2015), was unable to attend the annual general meeting of the Company held on 26 August 2014.

AUDIT COMMITTEE

The audited consolidated financial statements of the Group for the year ended 31 March 2015 had been reviewed by the Audit Committee of the Company (the "Audit Committee") before they were duly approved by the Board under the recommendation of the Audit Committee.

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

During the year ended 31 March 2015, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

By Order of the Board
Zhang Honghai
Chairman

Hong Kong, 29 June 2015

As at the date of this announcement, the Board comprises Mr. Zhang Honghai (Chairman), Mr. Cheung Ming (Chief Executive Officer), Mr. Sue Ka Lok, Ms. Hu Denger and Mr. Ren Haisheng as Executive Directors and Mr. Chan Kwong Fat, George, Mr. Siu Hi Lam, Alick and Mr. Ng Tze Kin as Independent Non-executive Directors.

* *For identification purpose only*