BEP INTERNATIONAL HOLDINGS LIMITED

百靈達國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 2326)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

The board of directors (the "Board") of BEP International Holdings Limited (the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 September 2015 together with comparative figures as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2015

		Six months ended 30 September	
		2015	2014
	Notes	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Revenue	3	**1,036,100**	321,009
Cost of sales		**(893,604)**	(300,910)
Gross profit		**142,496**	20,099
Other revenue and other net income	4	**274**	1,315
Selling and distribution costs		**(2,396)**	(2,015)
Administrative expenses		**(52,503)**	(12,986)
Profit from operations		**87,871**	6,413
Finance costs	5(a)	**(227)**	(1,055)
Profit before taxation	5	**87,644**	5,358
Income tax	6	**(19,386)**	(1,333)
Profit for the period		**68,258**	4,025

	Notes	Six months ended 30 September **2015** ***HK$'000*** **(unaudited)**	2014 *HK$'000* (unaudited)
Attributable to:			
Owners of the Company		**71,475**	4,377
Non-controlling interests		**(3,217)**	(352)
Profit for the period		**68,258**	4,025
		HK cent	*HK cent* (restated)
Earnings per share			
Basic	8	**0.351**	0.022
Diluted	8	**0.342**	0.022

Details of dividend payable to owners of the Company attributable to profit for the period are set out in note 7.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 September 2015

	Six months ended 30 September	
	2015	2014
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit for the period	**68,258**	4,025
Other comprehensive income for the period		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	**282**	50
Reclassification adjustments relating to disposal of overseas subsidiary during the period	**–**	(23)
Other comprehensive income for the period (net of nil tax (2014: nil))	**282**	27
Total comprehensive income for the period	**68,540**	4,052
Attributable to:		
Owners of the Company	**71,644**	4,402
Non-controlling interests	**(3,104)**	(350)
	68,540	4,052

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2015

	Notes	At 30 September 2015 HK$'000 (unaudited)	At 31 March 2015 HK$'000 (audited)
Non-current assets			
Property, plant and equipment		**2,060**	1,879
Goodwill		**5,368**	5,368
Other intangible asset		**–**	3,362
Deferred tax assets		**80**	80
Rental deposit		**697**	640
		8,205	11,329
Current assets			
Inventories		**1,558**	8,808
Trade and bills receivables	9	**780,522**	305,382
Prepayments, deposits and other receivables		**39,172**	90,023
Restricted bank deposits		**72,719**	–
Cash and cash equivalents		**157,609**	85,348
		1,051,580	489,561
Current liabilities			
Trade and bills payables	10	**737,941**	21,514
Accruals, deposits and other payables		**36,456**	8,347
Bank loan		**–**	309
Bank advances for discounted bills		**10,073**	299,225
Tax payable		**24,184**	4,397
		808,654	333,792
Net current assets		**242,926**	155,769
Total assets less current liabilities		**251,131**	167,098
Non-current liabilities			
Deferred tax liabilities		**37**	591
Net assets		**251,094**	166,507
Equity			
Equity attributable to owners of the Company			
Share capital		**4,110**	4,031
Reserves		**247,735**	160,123
		251,845	164,154
Non-controlling interests		**(751)**	2,353
Total equity		**251,094**	166,507

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 September 2015

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with the applicable disclosure provision of Appendix 16 to the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the "Listing Rules") including compliance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issue on 23 November 2015.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2015 annual financial statements, except for the share-based payments listed below and the accounting policy changes that are expected to be reflected in the 2016 annual financial statements which are set out in note 2.

Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share option reserve within equity. The fair value is measured at grant date using the Binomial Model taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest. The equity amount is recognised in the share option reserve until either the option is exercised (when it is transferred to the share premium account or the option expires (when it is released directly to retained profits)).

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

The HKICPA has issued the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") that are first effective for current accounting period of the Group.

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKFRSs	Annual Improvements to HKFRS 2010-2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRS 2011-2013 Cycle

The Group has adopted these new and revised HKFRSs and the adoption of these new and revised HKFRSs did not have a significant impact on the Group's result and financial position.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

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 recognised during the period is as follows:

	Six months ended 30 September	
	2015	2014
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Sourcing and sale of metal minerals and related industrial materials	**1,029,717**	306,288
Sale of electrical and electronic consumer products	**4,891**	14,721
Provision of logistics services	**1,492**	–
	1,036,100	321,009

(b) Segment reporting

The Group manages 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) Sourcing and sale of metal minerals and related industrial materials;

(ii) Sale of electrical and electronic consumer products; and

(iii) Provision of logistics services.

During the year ended 31 March 2015, a new segment, provision of logistics services, has been included in the segment reporting. The Group has acquired the subsidiaries which are principally engaged in the provision of logistics services in Hong Kong and the People's Republic of China (the "PRC") on 8 December 2014.

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

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 six months ended 30 September 2015 and 2014 is set out below:

	Six months ended 30 September 2015 (unaudited)			
	Sourcing and sale of metal minerals and related industrial materials	**Sale of electrical and electronic consumer products**	**Provision of logistics services**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Reportable segment revenue from external customers	**1,029,717**	**4,891**	**1,492**	**1,036,100**
Reportable segment profit/(loss)	**142,576**	**(68)**	**(2,408)**	**140,100**

	Six months ended 30 September 2014 (unaudited)			
	Sourcing and sale of metal minerals and related industrial materials	Sale of electrical and electronic consumer products	Provision of logistics services	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Reportable segment revenue from external customers	306,288	14,721	–	321,009
Reportable segment profit/(loss)	18,998	(914)	–	18,084

There are no inter-segment sales for the six months ended 30 September 2015 and 2014.

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

The following table presents segment assets and segment liabilities of the Group's operating segments as at 30 September 2015 and 31 March 2015:

	At 30 September 2015 (unaudited)			
	Sourcing and sale of metal minerals and related industrial materials	**Sale of electrical and electronic consumer products**	**Provision of logistics services**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Reportable segment assets	**812,779**	**5**	**14,291**	**827,075**
Reportable segment liabilities	**792,326**	**72**	**5,098**	**797,496**

	At 31 March 2015 (audited)			
	Sourcing and sale of metal minerals and related industrial materials	Sale of electrical and electronic consumer products	Provision of logistics services	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Reportable segment assets	383,496	11,620	18,728	413,844
Reportable segment liabilities	316,099	9,416	6,261	331,776

Reconciliation of reportable segment profit:

	Six months ended 30 September	
	2015	2014
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Total reportable segment profit derived from the Group's external customers	**140,100**	18,084
Other revenue and other net income	**274**	1,315
Depreciation of reportable segment not included in measurement of segment profit	**(86)**	(116)
Amortisation of other intangible asset	**(420)**	–
Impairment loss for other intangible asset	**(2,942)**	–
Finance costs	**(227)**	(1,055)
Unallocated head office and corporate expenses		
– Depreciation for property, plant and equipment	**(149)**	(76)
– Net foreign exchange loss	**(11,858)**	(356)
– Staff costs (including directors' emoluments)	**(21,913)**	(8,454)
– Others	**(15,135)**	(3,984)
Consolidated profit before taxation	**87,644**	5,358

4. OTHER REVENUE AND OTHER NET INCOME

	Six months ended 30 September	
	2015	2014
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Other revenue		
Interest income on bank deposits	**17**	68
Interest income on loan receivable	**172**	–
Total interest income on financial assets not at fair value through profit or loss	**189**	68
Sundry income	**40**	113
Rental income	**–**	78
	229	259
Other net income		
Gain on disposal of subsidiaries	**45**	1,056
	274	1,315

5. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging the followings:

		Six months ended 30 September	
		2015	2014
		HK$'000	*HK$'000*
		(unaudited)	(unaudited)
(a)	**Finance costs**		
	Interest on bank loan	**7**	–
	Bills discount charges	**220**	1,055
	Total interest expenses on financial liabilities not at fair value through profit or loss	**227**	1,055
(b)	**Staff costs (including directors' emoluments)**		
	Salaries, wages and other benefits	**12,109**	9,271
	Contributions to defined contribution retirement plans	**395**	230
	Equity-settled share based payment expenses	**11,001**	–
		23,505	9,501
(c)	**Other items**		
	Cost of inventories #	**893,604**	300,910
	Depreciation for property, plant and equipment	**235**	241
	Operating lease charges: minimum lease payments	**3,777**	1,775
	Loss on disposal of property, plant and equipment	**9**	55
	Amortisation of other intangible asset	**420**	–
	Impairment loss for other intangible asset	**2,942**	–
	Net foreign exchange loss	**11,858**	356

Cost of inventories includes HK$3,087,000 (2014: HK$899,000) relating to staff costs, depreciation and operating lease charges for the six months ended 30 September 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.

6. INCOME TAX

	Six months ended 30 September	
	2015	2014
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Current tax		
– Hong Kong Profits Tax *(note (i))*	**19,941**	1,333
Deferred tax		
– Origination and reversal of temporary differences	**(555)**	–
Total	**19,386**	1,333

Notes:

(i) The provision for Hong Kong Profits Tax for the six months ended 30 September 2015 is calculated at 16.5% (2014: 16.5%) of estimated assessable profits for the period.

(ii) PRC subsidiaries are subject to PRC Enterprise Income Tax ("EIT") at 25% (2014: 25%). No PRC EIT has been provided for in the condensed consolidated financial statements as the Group has no assessable profits for the six months ended 30 September 2015 and 2014.

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 six months ended 30 September 2015 and 2014.

7. DIVIDENDS

a) Dividend payable to owners of the Company attributable to the period.

	Six months ended 30 September	
	2015	2014
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interim dividend proposed of HK0.06 cent per ordinary share (2014: HK0.02* cent per ordinary share)	**12,330**	4,031

* The dividend per share was adjusted for the effect of share subdivision (the "Share Subdivision") of one share of par value of HK$0.002 each subdivided into 10 shares of par value of HK$0.0002 each in June 2015.

The interim dividend was proposed after the period ended 30 September 2015, and therefore had not been recognised as a liability in the condensed consolidated statement of financial position.

b) Dividends paid to owners of the Company attributable to the pervious financial year, approved and paid during the period.

	Six months ended 30 September	
	2015	2014
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Final dividend in respect of the previous financial year, approved and paid during the six months ended 30 September 2015, of HK0.04 cent per ordinary share (2014: Nil)	**8,220**	–

8. EARNINGS PER SHARE

Basic earnings per share

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

	Six months ended 30 September	
	2015	2014
Earnings		
Profit for the period attributable to owners of the Company *(HK$'000)*	**71,475**	4,377
		(restated)
Number of shares		
Weighted average number of ordinary shares in issue *(note)*	**20,381,389,080**	20,154,072,140
		(restated)
Basic earnings per share (HK cent per share)	**0.351**	0.022

Note: The number of ordinary shares for both periods for the purpose of calculating basic earnings per share has been adjusted retrospectively for the Share Subdivision. As a consequence, the amount of basic earnings per share for the period ended 30 September 2014 has been restated from HK0.22 cent to HK0.022 cent.

Diluted earnings per share

Diluted earnings per share is calculated by adjusting the number of dilutive potential ordinary shares under the share option scheme.

	Six months ended 30 September	
	2015	2014
Earnings		
Profit for the period attributable to owners of the Company *(HK$'000)*	**71,475**	4,377
Number of shares		(restated)
Weighted average number of ordinary shares in issue for the purpose of basic earnings per share	**20,381,389,080**	20,154,072,140
Effect of deemed issue of share under the Company's share option scheme for nil consideration	**519,803,114**	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**20,901,192,194**	(restated) 20,154,072,140
Diluted earnings per share (HK cent per share)	**0.342**	(restated) 0.022

9. TRADE AND BILLS RECEIVABLES

	At 30 September 2015 *HK$'000* (unaudited)	At 31 March 2015 *HK$'000* (audited)
Trade and bills receivables	**780,522**	305,470
Less: Allowance for doubtful debts	**–**	(88)
	780,522	305,382

Note:

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:

	At 30 September 2015 *HK$'000* **(unaudited)**	At 31 March 2015 *HK$'000* (audited)
0 – 60 days	**629,355**	169,247
61 – 120 days	**150,766**	74,259
121 – 180 days	**144**	61,075
181 – 360 days	**257**	801
	780,522	305,382

Trade and bills receivables are due within 30 to 360 days (31 March 2015: 30 to 180 days) from the date of billing.

10. TRADE AND BILLS PAYABLES

	At 30 September 2015 *HK$'000* **(unaudited)**	At 31 March 2015 *HK$'000* (audited)
Trade and bills payables	**737,941**	21,514

Note:

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

	At 30 September 2015 *HK$'000* **(unaudited)**	At 31 March 2015 *HK$'000* (audited)
0 – 60 days	**465,117**	4,112
61 – 120 days	**264,323**	1,180
121 – 180 days	**151**	213
181 – 360 days	**2,037**	16,003
Over 360 days	**6,313**	6
	737,941	21,514

11. EQUITY-SETTLED SHARE-BASED TRANSACTIONS

The existing share option scheme of the Company (the "Share Option Scheme") was adopted by the Company at the annual general meeting of the Company held on 27 August 2012 for the purpose of providing incentives to eligible participants and the previous share option scheme of the Company adopted on 6 January 2003 was terminated on the same date.

On 1 April 2015, the Company granted share options to subscribe for a total of 93,000,000 ordinary shares of HK$0.002 each under the Company's Share Option Scheme to eligible persons. The exercise price of the options granted is HK$0.335 per share and the exercisable period is from 1 April 2015 to 31 March 2017. Among the options granted, 71,000,000 options were granted to the directors of the Company and 22,000,000 options were granted to the employees of the Group.

Pursuant to the Share Option Scheme and relevant rules of the Listing Rules, upon the Share Subdivision taking effect on 9 June 2015, the number of shares of par value of HK$0.0002 each to be issued upon exercise of the options was adjusted and the exercise price of the outstanding options was adjusted to HK$0.0335 per share.

Each option gives the holder the right to subscribe for one ordinary share in the Company and is settled gross in shares.

(a) Terms of unexpired and unexercised share options at the end of the reporting period

	Outstanding at 30 September 2015	
	Exercise price (adjusted) *HK$*	**Number of shares** (adjusted)
Exercise period		
1 April 2015 to 31 March 2017	0.0335	534,000,000

(b) The number and weighted average exercise prices of share options are as follows:

	Six months ended 30 September 2015	
	Weighted average exercise price *HK$*	**Number of share options**
Outstanding at the beginning of the period	–	–
Granted during the period prior to Share Subdivision	0.335	93,000,000
Exercised during the period prior to Share Subdivision	0.335	(29,600,000)
	0.335	63,400,000
Adjusted during the period upon completion of Share Subdivision	0.0335	570,600,000
Exercised during the period after Share Subdivision	0.0335	(100,000,000)
Outstanding at the end of the period	0.0335	534,000,000
Exercisable at the end of the period	0.0335	534,000,000

The weighted average share price at the date of exercise for share options exercised during the six months ended 30 September 2015 was HK$1.2057. As at 30 September 2015, the share options outstanding had an exercise price of HK$0.0335 and a weighted average remaining contractual life of 1.5 years.

(c) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on the Binomial Model. The contractual life of the share option is used as an input into this model.

Fair value of share options and assumptions

Date granted	**1 April 2015**
Fair value per share option at measurement date	HK$0.1183
Share price	HK$0.33
Exercise price	HK$0.335
Expected volatility (expressed as weighted average volatility used in the modelling under the Binomial Model)	75.997%
Option life (expressed as weighted average life used in the modelling under the Binomial Model)	2 years
Exit rate (expressed as weighted average rate used in the modelling under the Binomial Model)	10.82%
Exercise multiple (expressed as weighted average multiple used in the modelling under the Binomial Model)	2.9
Expected dividends	1.82%
Risk-free interest rate (based on Hong Kong Sovereign Curve)	0.452%

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share option grants.

12. DISPOSAL OF SUBSIDIARIES

For the six months ended 30 September 2015

On 30 July 2015, the Group disposed of its 100% equity interests in Vinus Telecom Hong Kong Limited, which was engaged in sale of electrical and electronic consumer products in Hong Kong.

	HK$'000 **(unaudited)**
Consideration received	
Consideration received in cash and cash equivalents	2,800
Total consideration received	2,800
Analysis of assets and liabilities over which control was lost	
Current assets	
Cash and cash equivalents	82
Trade receivables	2,678
	2,760
Current liabilities	
Trade payables	4
Tax payable	1
Shareholder's loan due to the Group	1,583
	1,588
Net assets disposed of	1,172
Gain on disposal of a subsidiary	
Consideration received	2,800
Net assets disposed of	(1,172)
Assignment of shareholder's loan due to the Group	(1,583)
Gain on disposal of a subsidiary	45

The gain on disposal of a subsidiary is included in the "other revenue and other net income"

	HK$'000 **(unaudited)**
Net cash inflow on disposal of a subsidiary	
Consideration received in cash and cash equivalents	2,800
Cash and cash equivalent balances disposed of	(82)
Net cash inflow	2,718

For the six months ended 30 September 2014

On 29 August 2014, the Group disposed of its 92% equity interests in May Wilson Holding Limited and its subsidiaries, which was engaged in the manufacture and sale of electrical appliances, electronic products and related plastic injection components in Hong Kong and the PRC.

	HK$'000 (unaudited)
Consideration received	
Consideration received in cash and cash equivalents	100
Total consideration received	100
Analysis of assets and liabilities over which control was lost	
Non-current assets	
Property, plant and equipment	1,189
Current assets	
Cash and cash equivalents	257
Prepayments, deposits and other receivables	636
Inventories	250
	1,143
Current liabilities	
Trade payables	166
Accruals, deposits and other payables	3,615
Shareholder's loan due to the Group	5,004
	8,785
Net liabilities disposed of	(6,453)
Gain on disposal of subsidiaries	
Consideration received	100
Net liabilities disposed of	6,453
Assignment of shareholder's loan due to the Group	(5,004)
Non-controlling interests	(516)
Cumulative exchange gain in respect of the net liabilities of the subsidiaries reclassified from equity to profit or loss on lost of control of subsidiaries	23
Gain on disposal of subsidiaries	1,056

The gain on disposal of subsidiaries is included in the "other revenue and other net income".

	HK$'000
	(unaudited)
Net cash outflow on disposal of subsidiaries	
Consideration received in cash and cash equivalents	100
Cash and cash equivalent balances disposal of	(257)
Net cash outflow	(157)

13. MATERIAL RELATED PARTY TRANSACTIONS

The Group has entered into the following material related party transactions:

(a) Key management personnel remuneration

All members of key management personnel are the directors of the Company, and the remuneration for them is as follows:

	Six months ended 30 September	
	2015	2014
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Salaries and other short-term employee benefits	**5,121**	3,484
Post-employment benefits	**129**	37
Equity compensation benefits	**8,359**	–
	13,609	3,521

Total remuneration is included in "staff costs" (see note 5(b)).

(b) Other transactions

During the period, the Group entered into the following transactions with a related party that is not a member of the Group:

	Amount paid to the related party Six months ended 30 September	
	2015	2014
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
An entity which is controlled by the ultimate controlling party of the Group		
– rental expense	**–**	57
– building management fee	**–**	5
– air-conditioning charge	**–**	3
	–	65

Terms and prices of above transactions were mutually agreed by both parties concerned.

OPERATIONS REVIEW

The Board of the Company is pleased to report that the Group continued to perform well for the six months ended 30 September 2015. The Group posted a revenue and gross profit of HK$1,036,100,000 (30 September 2014: HK$321,009,000) and HK$142,496,000 (30 September 2014: HK$20,099,000) respectively, showing increases of 2.2 times and 6.1 times from their comparables in the previous period. The significant growth in the Group's revenue and gross profit were mainly attributed to the contribution from sourcing and sale of metal minerals and related industrial materials segment. During the review period, the Group recorded a profit of HK$68,258,000 which increased by 16.0 times comparing to the previous period (30 September 2014: HK$4,025,000). The significant growth in profit recorded by the Group was attributable to the management's efforts in promoting the Group's businesses and the adoption of a series of profitable business solutions.

For the period under review, the Group recorded profit attributable to the owners of the Company of HK$71,475,000 (30 September 2014: HK$4,377,000) which increased by 15.3 times comparing to the previous period. The Company's earnings per share for the period amounted to HK0.351 cent as compared to the corresponding period was HK0.022 cent (restated).

The results of the Group's operation in the sourcing and sale of metal minerals and related industrial materials is very encouraging. The Group continued to expand the product range of its sourcing and sale of metal minerals and related industrial materials, successfully established its foothold in the overseas markets and obtained better sales terms by meeting the specific customer needs. During the period under review, the Group's sourcing and sale of metal minerals and related industrial materials operation posted a revenue of HK$1,029,717,000 (30 September 2014: HK$306,288,000) and segment profit of HK$142,576,000 (30 September 2014: HK$18,998,000), showing increases of 2.4 times and 6.5 times respectively from their comparables in the previous period. The operating results of this segment was in line with expectations and the management will continue to pursue the business growth plan of this segment and endeavour to achieve better results in the second half of the financial year.

During the review period, as a result of adverse effects of intensifying competition in the electrical and electronic products industry and severe business environment, the sale of electrical and electronic consumer products operation remained stagnant and posted a year-on-year decrease of 67% in revenue to HK$4,891,000 (30 September 2014: HK$14,721,000) and segment loss of HK$68,000 (30 September 2014: HK$914,000).

In December 2014, the Group completed the acquisition of a company and its subsidiary, which primarily engaging in logistics business in Hong Kong and China. During the review period, the Group's operation of logistics services which was, adversely affected by the reduction in demand from customers due to slowdown of economic growth in the Mainland and the loss of major customers, posted revenue of HK$1,492,000 and segment loss of HK$2,408,000. The Group will consolidate the logistics operation and establish long-term financial goals, exploring and developing opportunities to extend its logistics operation to other regions outside Shenzhen, China.

As for administrative expenses, the amount was HK$52,503,000 (30 September 2014: HK$12,986,000) and the increase was mainly due to the recognition of the share based payment expenses relating to share options granted in April 2015, legal and professional fees and the Group's exposure to foreign exchange risk from various currencies. The foreign exchange risk was mainly related to Renminbi and the United State dollar, mostly arising from purchase transactions conducted with overseas customers in foreign currencies and sales transactions with Mainland customers in Renminbi. In response to customer demand, the Group have exposured to foreign exchange risk in exchange for better pricing in return.

During the period, the Group recognised other comprehensive income of HK$282,000 (30 September 2014: HK$27,000) due to exchange differences on translation of financial statements of overseas subsidiaries. With the result that the Group's total comprehensive income for the period increased to HK$68,540,000 (30 September 2014: HK$4,052,000). The Group's total comprehensive income, net of tax, attributable to owners of the Company was HK$71,644,000 for the period under review compared to HK$4,402,000 in the prior period.

FINANCIAL REVIEW

Liquidity, Financial Resources and Capital Structure

The Group financed its operations mainly by cash generated from its business activities and credit facilities provided by banks. As at 30 September 2015, the Group had current assets of HK$1,051,580,000 (31 March 2015: HK$489,561,000), comprising cash and bank balances of HK$157,609,000 with HK$72,719,000 restricted bank deposits for trade facilities granted by banks (31 March 2015: HK$85,348,000 with nil balance for restricted bank deposits). The Group's current ratio, calculated based on current assets of HK$1,051,580,000 (31 March 2015: HK$489,561,000) over current liabilities of HK$808,654,000 (31 March 2015: HK$333,792,000), was at a healthy level of about 1.30 (31 March 2015: 1.47).

As at 30 September 2015, the Group's trade and bills receivables amounted to HK$780,522,000 (31 March 2015: HK$305,382,000), restricted bank deposits amounted to HK$72,719,000 (31 March 2015: nil) and trade and bills payables amounted to HK$737,941,000 (31 March 2015: HK$21,514,000). Such increases in the Group's trade and bills receivables, restricted bank deposits and trade and bills payables were mainly due to the increase in the trade volume of sourcing of metal minerals and related industrial materials.

As at 30 September 2015, the Group's equity attributable to owners of the Company increased to HK$251,845,000 (31 March 2015: HK$164,154,000). The increase in equity attributable to owners of the Company was mainly due to a rise in the Group's total comprehensive income during the period.

The Group's finance costs for the period under review was HK$227,000 (30 September 2014: HK$1,055,000) which was primarily interest paid on discounting of bills receivables. As at 30 September 2015, the Group's gearing ratio, calculated based on total liabilities of HK$808,691,000 (31 March 2015: HK$334,383,000) over total assets of HK$1,059,785,000 (31 March 2015: HK$500,890,000), was at a low level of 0.76 (31 March 2015: 0.67).

During the period, the Company issued 220,500,000 shares by the exercise of share options. In addition, starting from 9 June 2015, every one issued and unissued share of par value of HK$0.002 each in the share capital of the Company has been subdivided into ten subdivided shares of par value of HK$0.0002 each (the "Share Subdivision"). Upon completion of the Share Subdivision, the issued shares of the Company increased by 18,314,164,926 shares.

During the review period, the Group continued to implement a prudent financial management policy, striving to promote the operations of the Group. With the amount of liquid assets on hand, the management will explore the feasibility of carrying out certain fund-raising exercises, with the support from investment banks and professional advisers, to meet its ongoing operational requirements and business expansion.

Foreign Currency Management

The monetary assets and liabilities as well as business transactions of the Group are mainly carried and conducted in Hong Kong dollars, Renminbi and United States dollars. The Group maintains a prudent strategy in its foreign currency risk management, primarily by including the estimated exchange differences on currency exposure in our pricing of metal minerals trade to minimise the impact of the foreign exchange risk on the Group's profit. The Group thus believes the current level of bank balances, certain receivables and payables denominated in Renminbi and United States dollars expose us to a manageable foreign currency risk. As such, the Group had not entered into any foreign currency forward contracts, currency swaps or other financial derivatives for hedging purpose. Nevertheless, the management will closely monitor the foreign currency exposure and consider using necessary financial instruments for hedging purpose.

Pledge of Assets

As at 30 September 2015, the Group had bank advances for discounted bills of HK$10,073,000 (31 March 2015: HK$299,225,000) were secured by the same amount of the Group's bills receivables.

Capital Commitment

As at 30 September 2015, the Group had capital commitments of RMB77,000,000 (equivalent to approximately HK$97,580,000) (31 March 2015: nil) in respect of the acquisition of entire equity interest in 寧夏華夏環保資源綜合利用有限公司 (Ningxia Huaxia Integrated Waste Recycling Company Limited), which was entered into a sale and purchase agreement but not provided in the financial statements.

Contingent Liabilities

As at 30 September 2015, the Group had no material contingent liabilities (31 March 2015: nil).

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2015, the Group had a total of 34 employees and directors (30 September 2014: 30). The Group's staff costs, including directors' remuneration, amounted to HK$23,505,000 (30 September 2014: HK$9,501,000). During the period, the Group remunerated its employees and directors based on their performance, experience and prevailing market rate. Benefit plans provided by the Group include provident fund scheme, medical insurance, subsidised training programme, share option scheme and discretionary bonuses.

PROSPECTS

In light of the challenging economic and business environments, the Group constantly reviews its existing operations from time to time. The Group remains optimistic about the demand for metal minerals and related industrial materials and, capitalising on its resources, it will continue to expand the product range of its profitable sourcing and sale of metal minerals and related industrial materials business, as well as its market development, explore opportunities to integrate the logistics business with its sourcing and sale of metal minerals and related industrial materials business, and expand the logistics business to other regions outside Shenzhen, China for an improvement in turnover and profitability so as to bring the Group's operations to new heights.

The Group will continue to implement a business growth strategy, playing an active role in seeking potential investment opportunities. In this respect, the Group signed a sale and purchase agreement with a vendor (the "Vendor") in August to acquire the entire equity interests of a company engaging in sulfuric acid business in Ningxia, China, details of which were set out in the announcement of the Company dated 6 August 2015. Besides, the Group entered into a sale and purchase agreement (the "S&P Agreement") with the group of Vendor this month to acquire the entire equity interests of a company which is engaged in integrated waste heat power generation in Ningxia, China. The S&P Agreement is subject to the approval and passing by the shareholders of the Company at the special general meeting of necessary resolution(s) to approve the S&P Agreement and the transactions contemplated thereunder, details of which were set out in the announcement of the Company dated 16 November 2015. The Group is of the view that, upon completion of the acquisitions, it will allow the Group to expand its business scope to the production and distribution of sulfuric acid and to the integrated waste heat power generation and heat business. It is also believed that a synergistic effect could be created between the sulfuric acid business and the power generation business. The acquisitions will also allow the Group to diversify its business risks and accordingly explore the feasibility of cooperation on other operations to demonstrate the favourable momentum in development and bring about striking financial performance. We expect the Company could diversify its source of income to increase business opportunities for the Group.

Looking ahead, the Group will continue to promote its business developments in full swing and optimise the efficiency and variety of all segments, hence laying a solid foundation for the Group's revenue growth going forward. The Group will also proactively identify lucrative investment opportunities aiming at pursuing maximum return for the Company's shareholders.

INTERIM DIVIDEND

The Board have resolved to declare an interim dividend of HK0.06 cent (2014: HK0.02 cent, as adjusted for the effect of the Share Subdivision) per share of the Company in cash for the six months ended 30 September 2015 to the shareholders of the Company whose names appear on the register of members of the Company on 23 December 2015. The interim dividend will be paid on or about Friday, 8 January 2016.

CLOSURE OF REGISTER OF MEMBERS FOR INTERIM DIVIDEND

The register of members of the Company will be closed on Wednesday, 23 December 2015, during which no transfer of shares will be registered. For the purpose of ascertaining shareholders' entitlement to the interim dividend for the six months ended 30 September 2015, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Friday, 18 December 2015.

CORPORATE GOVERNANCE

The Company has complied with all the code provisions of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 September 2015.

AUDIT COMMITTEE

The condensed consolidated financial statements of the Company for the six months ended 30 September 2015 have not been audited, but have been reviewed by the audit committee of the Company (the "Audit Committee") before they are duly approved by the Board under the recommendation of the Audit Committee.

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

During the six months ended 30 September 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, 23 November 2015

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

* *For identification purpose only*