華融國際金融控股有限公司
HUARONG INTERNATIONAL FINANCIAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 993)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2015

The board of directors (the "**Directors**") (the "**Board**") of Huarong International Financial Holdings Limited (the "**Company**") is pleased to present to its shareholders the unaudited condensed consolidated results of the Company and its subsidiaries (the "**Group**") for the six months ended 31 October 2015 together with the comparative figures. The information in this announcement is not audited or reviewed by the external auditors but is extracted from the interim financial statements prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. Hence this announcement does not constitute the Group's statutory financial statements. The interim financial statements have been reviewed by the Company's auditor, Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants, and by the Company's audit committee (the "**Audit Committee**").

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 31 OCTOBER 2015

		Six months ended 31 October	
		2015	2014
	NOTES	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
			(Restated)
CONTINUING OPERATIONS			
Revenue	*4*	**52,356**	14,355
Other income and gains or losses, net		**5,336**	5,541
Brokerage and commission expenses		**(7,406)**	(3,528)
Administrative and other operating expenses		**(52,972)**	(30,233)
Gain (loss) on disposal of available-for-sale investments		**96,575**	(3,124)
Impairment on available-for-sale investments		**–**	(16,377)
Reversal of impairment of loans and accounts receivable, net		**1,388**	357
Finance costs	*5*	**(4,279)**	(6,687)
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	*6*	**90,998**	(39,696)
Income tax credit	*7*	**8**	7
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		**91,006**	(39,689)
DISCONTINUED OPERATIONS			
Loss for the period from discontinued operations	*8*	**(15,818)**	(31,291)
PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY		**75,188**	(70,980)
EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	*10*		
From continuing and discontinued operations			
— Basic		**HK3.50 cents**	HK(5.29) cents
— Diluted		**HK3.47 cents**	HK(5.29) cents
From continuing operations			
— Basic		**HK4.23 cents**	HK(2.96) cents
— Diluted		**HK4.18 cents**	HK(2.96) cents

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 OCTOBER 2015

	Six months ended 31 October	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited) (Restated)
PROFIT (LOSS) FOR THE PERIOD	**75,188**	(70,980)
OTHER COMPREHENSIVE INCOME (EXPENSE)		
Items that may be reclassified subsequently to profit or loss		
Fair value gain (loss) on available-for-sale investments	**75,534**	(22,949)
Reclassification upon impairment of available-for-sale investments	**–**	16,377
Reclassification adjustments relating to disposal of available-for-sale investments during the period	**(96,859)**	3,107
Reclassification adjustments relating to distribution of Distributed Group during the period	**1,511**	–
	(19,814)	(3,465)
Exchange differences on translating foreign operations		
Exchange differences arising during the period	**(1,621)**	7,631
Reclassification adjustments relating to distribution of Distributed Group during the period	**10,604**	–
OTHER COMPREHENSIVE (EXPENSE) INCOME FOR THE PERIOD, NET OF TAX	**(10,831)**	4,166
TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY	**64,357**	(66,814)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 OCTOBER 2015

	NOTES	**31 October 2015 *HK$'000* (Unaudited)**	30 April 2015 *HK$'000* (Audited) (Restated)
NON-CURRENT ASSETS			
Property, plant and equipment		**3,355**	751
Other long term assets		**4,083**	6,141
Intangible assets		**4,778**	2,350
Available-for-sale investments		**–**	96,453
Investment in an associate		**190**	–
Total non-current assets		**12,406**	105,695
CURRENT ASSETS			
Loans and accounts receivable	*11*	**82,821**	120,201
Prepayments, deposits and other receivables		**23,417**	13,190
Equity investments at fair value through profit or loss		**–**	1,451
Tax recoverable		**10**	–
Restricted bank balances		**977,033**	280,004
Pledged bank deposits		**10,661**	10,725
Cash and cash equivalents		**1,430,524**	68,337
		2,524,466	493,908
Assets of Distributed Group classified as held for distribution to owners	*8*	**–**	1,172,440
Total current assets		**2,524,466**	1,666,348
CURRENT LIABILITIES			
Accounts payable	*12*	**989,397**	294,938
Other payables and accruals		**66,830**	6,472
Amount due to an associate		**190**	–
Interest-bearing borrowings	*13*	**–**	53,913
Tax payable		**9,061**	1
		1,065,478	355,324
Liabilities of Distributed Group classified as held for distribution to owners	*8*	**–**	134,170
Total current liabilities		**1,065,478**	489,494
NET CURRENT ASSETS		**1,458,988**	1,176,854
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,471,394**	1,282,549

	NOTES	31 October 2015 HK$'000 (Unaudited)	30 April 2015 HK$'000 (Audited) (Restated)
NON-CURRENT LIABILITIES			
Interest-bearing borrowings	*13*	**773,500**	–
Convertible notes	*14*	**25,914**	24,480
Other payables		**1,034**	1,898
Total non-current liabilities		**800,448**	26,378
NET ASSETS		**670,946**	1,256,171
CAPITAL AND RESERVES			
Equity attributable to owners of the Company			
Share capital		**3,278**	1,576
Equity component of convertible notes		**36,780**	36,780
Share premium and reserves		**630,888**	1,226,798
		670,946	1,265,154
Amounts recognised in other comprehensive income directly related to Distributed Group classified as held for distribution to owners		**–**	(8,983)
TOTAL EQUITY		**670,946**	1,256,171

Notes:

1. CORPORATE INFORMATION

Huarong International Financial Holdings Limited (formerly known as Simsen International Corporation Limited) (the "**Company**") is a limited liability company incorporated in Bermuda and its shares are listed on the Stock Exchange of Hong Kong Limited. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

On 30 January 2015, the Company entered into a subscription agreement (as supplemented by the supplemental agreements dated 20 March 2015 and 20 May 2015) with China Huarong International Holdings Limited (formerly known as Huarong (HK) International Holdings Limited, an indirectly wholly-owned subsidiary of China Huarong Asset Management Co., Ltd.) ("**CHIH**"), pursuant to which CHIH has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 1,702,435,038 new shares at the subscription price of HK$0.275 per subscription share (the "**Subscription**"). The aggregate nominal value of the subscription shares was HK$1,702,435. The aggregate subscription price of the subscription shares was HK$468,169,635. The completion of Subscription took place on 31 August 2015, 1,702,435,038 subscription shares have been duly allotted and issued to Camellia Pacific Investment Holding Limited ("**Camellia**"), a wholly-owned subsidiary of CHIH. Immediately after the completion of the subscription, there are 3,278,107,918 shares of the Company in issue and the shareholding indirectly held by CHIH, amounted to approximately 51.93% of the issued share capital of the Company as enlarged by the issue of the subscription shares. Accordingly, Camellia became the immediate holding company and CHIH became an intermediate holding company of the Group. China Huarong Asset Management Co., Ltd., a company established in the People's Republic of China ("**PRC**") and whose shares are listed in the Stock Exchange of Hong Kong Limited, became the ultimate holding company of the Group. The ultimate holding company is a PRC Government related entity as it is controlled by Ministry of Finance of PRC.

The principal activities of the Company and its subsidiaries (the "**Group**") are securities, futures and options contracts brokerage, provision of margin financing, corporate finance and asset management services and direct investment in equities, bonds, funds, derivative instruments and other financial products.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars, which is also the functional currency of the Company.

2. BASIS OF PREPARATION

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

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

Except as described below the accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 31 October 2015 are the same as those followed in the preparation of the Group's consolidated financial statements for the year ended 30 April 2015.

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRSs issued by the HKICPA that are relevant for the preparation of the Group's unaudit condensed consolidated financial statements:

Amendments to HKAS 19	Defined benefit plans: Employee contributions
Amendments to HKFRSs	Annual improvements to HKFRSs 2010–2012 cycle
Amendments to HKFRSs	Annual improvements to HKFRSs 2011–2013 cycle

The application of the above amendments to HKFRSs in the current interim period has had no material impact on the results, the financial position and disclosures of the unaudited condensed consolidated financial statements of the Group.

In addition, the Group has applied IFRIC 17 Distribution of Non-Cash Assets to Owners for the first time in the current interim period.

3. OPERATING SEGMENT INFORMATION

During the period ended 31 October 2015, in order to more accurately reflect the resources allocation and assessment of performance of the Group, the structure of the financial reports provided to the chief operating decision makers has been changed such that financial information relating to corporate finance and asset management and direct investment operations, which were previously reported to the chief operating decision maker in aggregation with those relating to the securities operations, are separately reported with effect from the current period. Accordingly, it is determined that the change in the structure of its internal organisation and reporting has resulted in the composition of operating and reportable segments to change.

Specifically, the Group's reportable and operating segments from continuing operations are now determined to be as follows:

(a) the securities segment represents the broking and dealing of securities, futures and options contracts and the provision of margin financing;

(b) the corporate finance segment provides securities underwriting and sponsoring and financial advisory services to institutional clients; and

(c) the asset management and direct investment segment includes asset management services and direct investments in equities, bonds, funds, derivatives and other financial products.

The corresponding segment information for the comparative period presented in these condensed consolidated financial statements are restated to reflect the change in structure.

The following is an analysis of the Group's revenue and results from continuing operations by reportable and operating segments:

Six months ended 31 October 2015 (unaudited)

	Securities	Corporate finance	Asset management and direct investment	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenue				
Revenue from external customers	**19,112**	**33,244**	**–**	**52,356**
Other income and gains or losses, net	**2,113**	**–**	**–**	**2,113**
	21,225	**33,244**	**–**	**54,469**
Segment results	**7,315**	**29,057**	**(1,021)**	**35,351**
Gain on disposal of available-for-sale investments				**96,575**
Finance costs				**(4,279)**
Other income and gains or losses, net				**3,223**
Other expenses				**(39,872)**
				90,998
Income tax credit				**8**
Profit for the period from continuing operations				**91,006**

Six months ended 31 October 2014 (unaudited) (restated)

	Securities *HK$'000*	Corporate finance *HK$'000*	Asset management and direct investment *HK$'000*	Total *HK$'000* (Restated)
Segment revenue				
Revenue from external customers	14,045	310	–	14,355
Other income and gains or losses, net	1,151	4,250	–	5,401
	15,196	4,560	–	19,756
Segment results	4,095	1,917	(170)	5,842
Loss on disposal of available-for-sale investments				(3,124)
Impairment loss on available-for-sale Investments				(16,377)
Finance costs				(6,687)
Other income and gains or losses, net				140
Other expenses				(19,490)
				(39,696)
Income tax credit				7
Loss for the period from continuing operations				(39,689)

4. REVENUE

Revenue, which is also the Group's turnover, represents (i) fees and commission income from securities, futures and options contracts broking; (ii) gain or loss on trading of securities, futures and options contracts; (iii) interest income and handling fee income from loan and margin financing activities; and (iv) placing and underwriting fee income. An analysis of the Group's revenue from continuing operations is as follows:

	Six months ended 31 October	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited) (Restated)
Fees and commission income from securities, futures and options contracts broking	**15,854**	10,536
Trading (loss) gain on securities, futures and option contracts, net	**(696)**	302
Interest income from loan and margin financing activities	**3,277**	2,440
Handling fee income	**757**	937
Placing and underwriting fee income	**33,164**	140
	52,356	14,355

5. FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

	Six months ended 31 October	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
		(Restated)
Interest on bank loans	**22**	–
Interest on other loans	**2,823**	329
Interest on finance leases	**–**	1
Imputed interest expense on convertible notes	**1,434**	6,357
	4,279	6,687

6. PROFIT (LOSS) BEFORE TAX

The Group's profit (loss) before tax from continuing operations is arrived at after charging (crediting):

	Six months ended 31 October	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
		(Restated)
Depreciation	**310**	617
Loss on disposal of property, plant and equipment	**23**	95
Minimum lease payments under operating leases:		
— office premises	**7,986**	6,155
— office equipment	**70**	56
Employee benefit expenses (including directors' remuneration)	**23,736**	10,814
Foreign exchange differences, net	**(1,056)**	(257)

7. INCOME TAX CREDIT

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. No Hong Kong profits tax has been provided for in both periods as there were no assessable profits arising in Hong Kong for both periods.

	Six months ended 31 October	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
		(Restated)
Current — Hong Kong		
Overprovision in prior period	**8**	7
	8	7

As at 31 October 2015, the Group did not recognise deferred tax assets of approximately HK$13,038,000 (30 April 2015: approximately HK$14,598,000) in respect of tax losses amounting to approximately HK$79,016,000 (30 April 2015: approximately HK$88,475,000) that can be used to offset future taxable income and which can be carried forward indefinitely.

8. DISCONTINUED OPERATIONS AND DISTRIBUTED GROUP

On 30 January 2015, the Company entered into a conditional subscription agreement (which was later supplemented by the supplemental subscription agreements dated 20 March 2015 and 20 May 2015) with China Huarong International Holdings Limited, previously known as Huarong (HK) International Holdings Limited (the "Subscriber"), pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 1,702,435,038 new shares at the subscription price of HK$0.275 per subscription share (the "Subscription"). One of the condition precedents for the completion of the Subscription is that the Company shall undergo a group reorganisation as set out in subscription agreement (the "Group Reorganisation") and effect a distribution in specie of shares in Modern Series Limited, a then wholly-owned subsidiary of the Company ("**MSL**") (the "**Distribution in Specie**").

On 23 March 2015, the Company announced details of the Group Reorganisation and the Distribution in Specie. As at 30 April 2015, the assets and liabilities related to MSL and its subsidiaries (the "Distributed Group")have been classified as held for distribution to owners and the result of the Distributed Group have been presented as discontinued operations in the annual financial statements of the Group for the year ended 30 April 2015. MSL and its subsidiaries upon completion of the Group Reorganisation are collectively referred to as the "Distributed Group". The principal activities of the companies which comprise the Distributed Group are bullion and forex contracts broking and trading, provision of finance lease, pawn loan, medium and short term financing services and financial consultation services.

The Group Reorganisation and the Distribution in Specie were approved by the independent shareholders of the Company at a special general meeting held on 24 July 2015. The completion of the Distribution in Specie was conditional on certain pre-conditions which in certain conditions were specified in the Company's circular dated on 30 June 2015.

Details of the Group Reorganisation and the Distribution in Specie were set out in the Company's circular dated 30 June 2015. On 3 August 2015, all the pre-conditions were fulfilled, and thus, the distribution of shares of MSL to the then owners of the Company pursuant to the Distribution in Specie became effective and unconditional on 3 August 2015.

The comparative figures in the condensed consolidated statement of profit or loss have been restated to re-present as if the discontinued operations had been discontinued at the beginning of the comparative period. The results of the Distributed Group for the period are presented below.

	For the period from 1 May 2015 to 3 August 2015	Six months ended 31 October 2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited) (Restated)
Revenue	**30,945**	94,107
Other income and gains or losses, net *(note (iii))*	**9,599**	2,170
Brokerage and commission expenses	**(23)**	(486)
Administrative and other operating expenses	**(21,312)**	(41,400)
Provision for impairment of finance leases receivable, and loans and accounts receivable, net	**(9,818)**	(73,179)
Finance costs	**(1,685)**	(1,492)
Profit (loss) before tax from discontinued operations	**7,706**	(20,280)
Income tax expense	**(2,348)**	(11,011)
Profit (loss) after tax from discontinued operations	**5,358**	(31,291)
Loss on reclassification of available-for-sale investment revaluation reserve in relation to Distributed Group upon distribution of MSL	**(1,511)**	–
Loss on reclassification of foreign currency translation reserve from equity to profit or loss in relation to Distributed Group	**(10,604)**	–
Income tax expenses arising on transfer of Distributed Group *(note (ii))*	**(9,061)**	–
Loss for the period from discontinued operations	**(15,818)**	(31,291)

Notes:

(i) In the opinion of the directors of the Company, the fair value of the shares of MSL distributed to the shareholders of the Company approximated the net carrying amount of the net assets of the MSL Group, i.e. approximately HK$1,117,751,000, as at 3 August 2015.

(ii) Management of the Company are of the view that the restructuring of the Group would be subject to "Bulletin of the State Administration of Taxation on Issues of Enterprise Income Tax on Indirect Transfer of Assets by Non-resident Enterprises" (Bulletin [2015] No.7, "Bulletin 7") and taxable in China under Bulletin 7. An amount of HK$9,061,000 in tax provision has been made for the current period. The provision was determined based on the estimated fair market value of MSL shares is then applied after taking into account deductible costs determined by management of the Company using the net carrying amounts of the assets and liabilities of Distributed Group by the fair market value attributable to the PRC taxable assets was then determined by reference to the fractional amount of net asset value of the Chinese Entities compare to the total net asset value as of 31 October 2014 with the applicable tax rate of 10%.

(iii) Amount of HK$9,061,000 was recognised as other income from Mr. Cui Zhanhui ("Mr. Cui) in relation to the PRC tax liabilities. On 26 June 2015, the Company and Mr. Cui, one of the existing beneficial owners of the Company, entered into a deed of indemnity, pursuant to which Mr. Cui has undertaken to fully compensate and indemnify the loss which may be suffered by the Company by reason of, among other things, any tax liability that may be incurred pursuant to applicable laws and in connection with the reorganisation and the distribution of the Group. Mr. Cui shall fully indemnify the

Company on a dollar-to-dollar basis against any loss, taxation, claims, liability, costs, expenses, penalty, etc. suffered by the Company by reason of any matters in connection with the reorganisation and the distribution of the Group. By virtue of the deed of indemnity and the tax provision made under Bulletin 7 (see (ii) above), the Group recognised an amount due from Mr. Cui of HK$9,061,000 (included in other receivables) as at 31 October 2015 and management of the Company consider its recoverability is satisfactory.

The major classes of assets and liabilities of the Distributed Group as at the date of distribution and as at 30 April 2015 are as follows:

	3 August 2015	30 April 2015
	HK$'000	*HK$'000*
	(Unaudited)	(Restated)
Assets		
Property, plant and equipment	**3,434**	4,699
Goodwill	**22,279**	22,279
Available-for-sale investments	**115,163**	1,490
Finance leases receivable	**115,106**	134,548
Loan and accounts receivable	**891,729**	871,415
Prepayments, deposits and other receivables	**16,850**	9,066
Tax recoverable	**16**	16
Bank trust account balances	**147**	13,732
Cash and cash equivalents	**87,474**	115,195
	1,252,198	1,172,440
Liabilities		
Accounts payable	**(195)**	(17,316)
Other payables and accruals	**(53,899)**	(28,661)
Interest-bearing bank and other borrowings	**(70,975)**	(78,813)
Tax payable	**(9,001)**	(9,001)
Provision for long service payments	**(41)**	(71)
Provision for reinstatement	**(336)**	(308)
	(134,447)	(134,170)
Net assets of the Distributed Group	**1,117,751**	1,038,270
Amount recognised in other comprehensive income directly related to the Distributed Group		
Negative currency translation reserve	**(10,604)**	(8,983)
Negative available-for-sale investment revaluation reserve	**(1,511)**	–
Net cash outflow arising on distribution in specie		
Cash and cash equivalents relinquished	**87,474**	N/A

The net cash flows incurred by the Distributed Group which are included in the condensed consolidated statement of cash flows of the Group are as follows:

	From 1 May 2015 to 3 August 2015	Six months ended 31 October 2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Operating activities	**586**	(341,371)
Investing activities	**(10,902)**	73,551
Financing activities	**(19,008)**	170,634
Net cash outflow	**(29,324)**	(97,186)

9. DIVIDENDS

	Six months ended 31 October	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Dividends recognised as distribution during the period:		
Special dividend paid in cash of nil (2014: HK$0.15) per share	**–**	236,351
Special dividend, by way of the distribution in specie *(note 8)*	**1,117,751**	–
	1,117,751	236,351

Other than the Distribution in Specie, the Board has resolved not to declare the payment of any interim dividend for the six months ended 31 October 2015 (2014: Nil).

10. EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

From continuing and discontinued operations

The calculation of basic and diluted earnings (loss) per share from continuing and discontinued operations are based on the following data:

	Six months ended 31 October	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
		(Restated)
Earnings (loss)		
Profit (loss) for the period attributable to owners of the Company, used as earnings for the purpose of basic earnings per share calculation	**75,188**	(70,980)
Effect of dilutive potential ordinary shares:		
Interest on convertible notes	**1,434**	N/A
Earnings (loss) for the purpose of the dilutive earnings (loss) per share	**76,622**	(70,980)

	Number of shares	
	2015	2014
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share calculation	**2,149,319**	1,342,629
Effect of dilutive potential ordinary shares convertible notes	**60,000**	N/A
Weighted average number of ordinary shares for the purpose of dilutive earnings per share calculation	**2,209,319**	1,342,629

No adjustment has been made to the basic loss per share amounts from continuing and discontinued operations presented for the six months ended 31 October 2014 in respect of the dilution impact of the outstanding convertible notes as their assumed conversion would have an anti-dilutive effect on the basic loss per share amounts presented from continuing and discontinued operations.

From continuing operations

The calculation of the basic and diluted earnings per share from continuing operations attributable to the owners of the Company is based on the following data:

	Six months ended 31 October	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
		(Restated)
Earnings (loss)		
Profit (loss) for the period attributable to owners of the Company	**75,188**	(70,980)
Less: loss for the period from discontinued operations	**(15,818)**	(31,291)
Profit (loss) for the purpose of basic earnings per share from continuing operations	**91,006**	(39,689)
Effect of dilutive potential ordinary shares:		
Interest on convertible notes	**1,434**	N/A
Earnings (loss) for the purpose of the dilutive earnings (loss) per share from continuing operations	**92,440**	(39,689)

The denominators used are the same as those detailed above for both basic and diluted earnings (loss) per share.

No adjustment has been made to the basic loss per share amounts from continuing operations presented for the six months ended 31 October 2014 in respect of the dilution impact of the outstanding convertible notes as their assumed conversion would have an anti-dilutive effect on the basic loss per share amounts presented from continuing operations.

From discontinued operations

Basic loss per share from discontinued operations is HK0.74 cents per share (2014: loss of HK2.33 cents per share) and diluted loss per share from discontinued operations is HK0.74 cents per share (2014: loss of HK2.33 cents per share).

The denominators used are the same as those detailed above for both basic and diluted loss per share.

No adjustment has been made to the basic loss per share amounts from discontinued operations presented for the six months ended 31 October 2015 and 2014 in respect of the dilution impact of the outstanding convertible notes as their assumed conversion would have an anti-dilutive effect on the basic loss per share amounts presented from discontinued operations.

11. LOANS AND ACCOUNTS RECEIVABLE

	31 October 2015 *HK$'000* **(Unaudited)**	30 April 2015 *HK$'000* (Audited)
Margin loans to customers	**63,080**	86,037
Accounts receivable from:		
— securities, futures and options dealing services		
— clients	**13,684**	30,017
— brokers, dealers and clearing houses	**8,167**	7,590
— corporate and other operations	**65**	120
	84,996	123,764
Provision for impairment in relation to:		
Margin loans to customers	**(1,990)**	(3,285)
Accounts receivable from:		
— securities, futures and options dealing services		
— clients	**(185)**	(278)
	82,821	120,201

An ageing analysis of the Group's accounts receivable, based on the trade date for cash clients and settlement date for others, and net of provision for impairment, is as follows:

	31 October 2015 *HK$'000* **(Unaudited)**	30 April 2015 *HK$'000* (Audited)
Current to 1 month	**21,276**	37,238
1 to 3 months	**221**	28
3 months to 1 year	**119**	79
Over 1 year	**115**	104
	21,731	37,449

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

	31 October 2015 *HK$'000* **(Unaudited)**	30 April 2015 *HK$'000* (Audited)
At beginning of period/year	**3,563**	27,512
Impairment losses recognised	**6**	9,297
Impairment losses reversed	**(1,394)**	(1,290)
(Reversal of) provision for impairment losses, net	**(1,388)**	8,007
Impairment loss provision related to Distributed Group held for distribution to owners	**–**	(31,933)
Exchange realignment	**–**	(23)
At end of period/year	**2,175**	3,563

12. ACCOUNTS PAYABLE

The Group's accounts payable at the end of the reporting period is as follows:

	31 October 2015 *HK$'000* **(Unaudited)**	30 April 2015 *HK$'000* (Audited)
Accounts payable to		
— clients	**812,997**	278,477
— brokers, dealers and clearing houses	**176,132**	14,903
— others	**268**	1,558
	989,397	294,938

The accounts payable are unsecured and repayable on the settlement date of the relevant trades or upon demand from customers.

The accounts payable are aged within 1 month.

As at 31 October 2015, accounts payable with carrying amount of approximately HK$810,550,000 (30 April 2015: HK$276,154,000) are interest-bearing at bank deposit savings rates.

13. INTEREST-BEARING BORROWINGS

	31 October 2015	30 April 2015
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Unsecured loans		
Current portion	**–**	53,913
Non-current portion	**773,500**	–
	773,500	53,913

During the current interim period, the Group obtained new loans amounting to US$100 million (approximately HK$773,500,000) from its controlling shareholder, CHIH for the expansion of the Group's business. The loans bear interest at a fixed interest rate of 5.761% per annum and are repayable in three years.

The loans outstanding, as at 30 April 2015, which were denominated in Hong Kong dollar and bore interest at a fixed rate of 10% per annum, were fully repaid during the current interim period.

As at 31 October 2015, the Group has banking facilities of HK$40,000,000 (30 April 2015: HK$40,000,000) which are secured by pledge of the Group's time deposits with carrying amount of approximately HK$10,661,000 (30 April 2015: HK$10,725,000). The Group has not utilised these banking facilities as at 31 October 2015 (30 April 2015: Nil).

14. CONVERTIBLE NOTES

On 19 February 2014, the Company issued zero coupon convertible notes (the "Convertible Notes") with a nominal value of HK$500,000,000 to an independent third party. The notes are convertible at the option of the noteholder into ordinary shares within 36 months from the date of issuance of the Convertible Notes at the initial conversion price of HK$5 per conversion share. Any Convertible Notes not converted will be redeemed on 18 February 2017 at the outstanding principal amounts. The conversion price for the Convertible Notes was adjusted to HK$0.5 per share on 9 April 2014, upon completion of the issue of bonus shares. A total principal amount of HK$135,000,000 Convertible Notes was converted into 270,000,000 ordinary shares of the Company during the year ended 30 April 2014. On 4 July 2014, a total principal amount of HK$335,000,000 Convertible Notes was converted into 670,000,000 ordinary shares of the Company. In July 2014, the independent third party has transferred his Convertible Notes to Mr. Cui, a substantial shareholder of the Company. Immediately after the conversion on 4 July 2014 and as at 31 October 2015, the outstanding principal of the Convertible Notes issued by the Company amounted to HK$30,000,000. The effective interest rate is 12% per annum (30 April 2015: 12% per annum).

The fair value of the Convertible Notes, which consists of the liability and equity components at issuance date is approximately HK$968,890,000.

Fair value of the liability component on initial recognition was determined to be approximately HK$355,890,000 the present value of 3-year future cash flows discounted at 12% effective interest rate. The fair value of the liability component is deducted from the fair value of the instrument as a whole, with the resulting residual amount of approximately HK$613,000,000 being recognised as the equity component.

15. PRIOR YEAR ADJUSTMENTS

During the course of preparing the condensed consolidated financial statements for the period ended 31 October 2015, it has come to the attention of the directors of the Company that the prior years' annual financial statements of the Group require restatements in relation to (i) impairment on available-for-sale investments for the years ended 30 April 2014 and 30 April 2015; (ii) impairment on loans and accounts receivable of the Distributed Group (as defined in note 8) for the years ended 30 April 2014 and 30 April 2015; and (iii) adjustments on interest expense and carrying amounts of liability and equity components of Convertible Notes (as defined in note 14).

The following tables disclose the prior years' adjustments that have been made and the reconciliation of the restated amounts of the comparative figures presented in each of the line items in the condensed consolidated of profit or loss, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of financial position to the amounts previously reported in prior years' or periods' financial statements.

The directors of the Company are of the opinion that the effect of the restatements and adjustments described above has no significant impact on the condensed consolidated statement of cash flows of the Group for the period from 1 May 2014 to 31 October 2014.

(a) Condensed Consolidated Statement of Profit or Loss

For the six months ended 31 October 2014

	Six months ended 31 October 2014 (Note (v)) *HK$'000*	Adjustments *HK$'000*	Six months ended 31 October 2014 (Restated) *HK$'000*
CONTINUING OPERATIONS			
Revenue	14,355	–	14,355
Other income and gains or losses, net	5,541	–	5,541
Brokerage and commission expenses	(3,528)	–	(3,528)
Administrative and other operating expenses	(30,233)	–	(30,233)
Loss on disposal of available-for-sale investments	(3,124)	–	(3,124)
Impairment on available-for-sale investments *(note (i))*	–	(16,377)	(16,377)
Reversal of impairment of loans and accounts receivable, net	357	–	357
Finance costs *(note (ii))*	(1,420)	(5,267)	(6,687)
LOSS BEFORE TAX FROM CONTINUING OPERATIONS	(18,052)	(21,644)	(39,696)
Income tax credit	7	–	7
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS	(18,045)	(21,644)	(39,689)
DISCONTINUED OPERATIONS			
Profit (loss) for the period from discontinued operations *(note (iii))*	41,003	(72,294)	(31,291)
PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY	22,958	(93,938)	(70,980)
EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY *(note (iv))*			
From continuing and discontinued operations			
— Basic	HK1.71 cents	HK(7) cents	HK(5.29) cents
— Diluted	HK1.71 cents	HK(7) cents	HK(5.29) cents
From continuing operations			
— Basic	HK(1.34) cents	HK(1.62) cents	HK(2.96) cents
— Diluted	HK(1.34) cents	HK(1.62) cents	HK(2.96) cents

Notes:

(i) Impairment on available-for-sale investments

The Group did not record any impairment loss for available-for-sale investments with significant or prolonged decline in the fair value below cost for the years ended 30 April 2014 and 2015. The Group has understated the available-for-sale investments impairment losses by approximately HK$46,185,000 and HK$16,377,000 for the years ended 30 April 2014 and 2015 respectively. In respect of the six months ended 31 October 2014, the understatement of impairment loss amounted to HK$16,377,000. The Group overstated the available-for-sale investment revaluation reserves by approximately HK$46,185,000 as at 30 April 2014, and HK$62,562,000 as at 31 October 2014 and 30 April 2015.

(ii) Accounting treatment for the issue of convertible notes

In prior years, the Group recognised the carrying amount of equity component of the convertible notes by deducting the fair value of the liability component from the issue proceed, rather than from the fair value of the compound financial instrument as a whole on the issuance date of the convertible notes. In addition, the Company did not use the borrowing rate of comparable borrowings with similar credit rating as the Company as the discount rate when determining the fair value and initial carrying amount of the liability component. The Group understated interest expense of convertible notes by approximately HK$6,419,000 and HK$6,388,000 for the years ended 30 April 2014 and 30 April 2015 respectively. In respect of the six month ended 31 October 2014, the understatement of interest expense of convertible notes by HK$5,267,000. The Group understated the equity component of the convertible notes by approximately HK$431,202,000, HK$35,441,000 and HK$35,441,000 as at 30 April 2014, 31 October 2014 and 30 April 2015 respectively. The Group overstated the liability component of the convertible notes by approximately HK$83,800,000 and HK$4,708,000 as at 30 April 2014 and 2015 respectively. The Group also understated the share premium recognised on the conversion of the convertible notes by approximately HK$127,946,000, HK$ 450,964,000 and HK$450,964,000 as at 30 April 2014, as at 31 October 2014 and 30 April 2015 respectively. The Group overstated the retained profits by approximately HK$475,309,000 as at 30 April 2014, HK$ 480,577,000 as at 31 October 2014 and HK$ 481,697,000 as at 30 April 2015.

(iii) Impairment on loans and accounts receivables and finance leases receivable

The Group did not recognise any collective impairment on the loans and accounts receivables and finance leases receivable of the Distributed Group in prior years. The Group understated the impairment losses of loans and accounts receivables and finance leases receivable of the Distributed Group by approximately HK$120,378,000 and HK$76,358,000 for the years ended 30 April 2014 and 2015 respectively. In respect of six months ended 31 October 2014, the understatement of impairment losses amounted to HK$72,294,000. The Group overstated the loans and accounts receivables and finance leases receivable of the Distributed Group by approximately HK$120,378,000 as at 30 April 2014 and HK$196,736,000 as at 30 April 2015.

(iv) Earnings (loss) per share

Earnings (loss) per share attributable to owners of the Company for the period ended 31 October 2014 were restated due to the above adjustments. As a result, the basic and diluted earnings per share of continuing and discontinued operations for the period ended 31 October 2014 both decreased by HK7.00 cents. The basic and diluted loss per share of continuing operations for the period ended 31 October 2014 both increased by HK1.62 cents.

(v) The comparative figures in the condensed consolidated statement of profit or loss have been restated to re-present the Distributed Group operation as discontinued operations.

(b) Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 31 October 2014

	Six months ended 31 October 2014 *(Note 15(a)(v))* *HK$'000*	Adjustments *HK$'000*	Six months ended 31 October 2014 (Restated) *HK$'000*
PROFIT (LOSS) FOR THE PERIOD	22,958	(93,938)	(70,980)
OTHER COMPREHENSIVE INCOME (EXPENSE)			
Item that may be reclassified subsequently to profit or loss			
Fair value loss on available-for sale investments	(22,949)	–	(22,949)
Reclassification upon impairment of available-for-sale investments *(note 15(a)(i))*	–	16,377	16,377
Reclassification adjustment relating to disposal of available-for-sale investments during the period	3,107	–	3,107
	(19,842)	16,377	(3,465)
Exchange difference on translating foreign operations:			
Exchange differences arising during the period	7,631	–	7,631
OTHER COMPREHENSIVE (EXPENSE) INCOME FOR THE PERIOD, NET OF TAX	(12,211)	16,377	4,166
TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY	10,747	(77,561)	(66,814)

(c) Condensed Consolidated Statement of Financial Position as at 30 April 2015

	30 April 2015 (As previously reported) *HK$'000*	Adjustments *HK$'000*	30 April 2015 (Restated) *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment	751	–	751
Other long term assets	6,141	–	6,141
Intangible assets	2,350	–	2,350
Available-for-sale investments	96,453	–	96,453
Total non-current assets	105,695	–	105,695
CURRENT ASSETS			
Loans and accounts receivable	120,201	–	120,201
Prepayments, deposits and other receivables	13,190	–	13,190
Equity investments at fair value through profit or loss	1,451	–	1,451
Bank trust account balances	280,004	–	280,004
Pledged bank deposits	10,725	–	10,725
Cash and cash equivalents	68,337	–	68,337
	493,908	–	493,908
Assets of Distributed Group classified as held for distribution to owners *(note 15(a)(iii))*	1,369,176	(196,736)	1,172,440
Total current assets	1,863,084	(196,736)	1,666,348
CURRENT LIABILITIES			
Accounts payable	294,938	–	294,938
Other payables and accruals	6,472	–	6,472
Interest-bearing borrowings	53,913	–	53,913
Tax payable	1	–	1
	355,324	–	355,324
Liabilities of Distributed Group classified as held for distribution to owners	134,170	–	134,170
Total current liabilities	489,494	–	489,494
NET CURRENT ASSETS	1,373,590	(196,736)	1,176,854
TOTAL ASSET LESS CURRENT LIABILITIES	1,479,285	(196,736)	1,282,549

	30 April 2015 (As previously reported) *HK$'000*	Adjustments *HK$'000*	30 April 2015 (Restated) *HK$'000*
NON-CURRENT LIABILITIES			
Convertible notes *(note 15(a)(ii))*	29,188	(4,708)	24,480
Other payables	1,898	–	1,898
Total non-current liabilities	31,086	(4,708)	26,378
NET ASSETS	1,448,199	(192,028)	1,256,171
CAPITAL AND RESERVES			
Equity attributable to owners of the Company			
Share capital	1,576	–	1,576
Equity component of convertible notes *(note 15(a)(ii))*	1,339	35,441	36,780
Share premium and reserves *(note (i))*	1,454,267	(227,469)	1,226,798
	1,457,182	(192,028)	1,265,154
Amounts recognised in other comprehensive income directly related to Distributed Group classified as held for distribution to owners	(8,983)	–	(8,983)
TOTAL EQUITY	1,448,199	(192,028)	1,256,171

Note:

(i) Share premium and reserves

Share premium and reserves as at 30 April 2015 were restated due to the adjustments stated as per note 15(a)(i) to (iii). As a result, the share premium and reserves decreased by approximately HK$227,469,000.

(d) Condensed Consolidated Statement of Change in Equity
As at 1 May 2014

	As at 1 May 2014 (As previously reported) *HK$'000*	Adjustments *HK$'000*	As at 1 May 2014 (Restated) *HK$'000*
Issued capital	906	–	906
Share premium account *(note 15(a)(ii))*	1,057,579	127,946	1,185,525
Contributed surplus	274,160	–	274,160
Available-for-sale investments revaluation reserve *(note 15(a)(i))*	(49,595)	46,185	(3,410)
Currency translation reserve	(6,046)	–	(6,046)
Convertible notes equity reserve *(note 15(a)(ii))*	16,288	431,202	447,490
Retained profits (accumulated losses) *(note (i))*	32,967	(641,872)	(608,905)
Total Equity	1,326,259	(36,539)	1,289,720

Note:

(i) Retained profits (accumulated losses)

Retained profits (accumulated losses) for the year ended 30 April 2014 was restated due to the adjustments stated as per note 15(a)(i) to (iii). As a result, the retained profits decreased by approximately HK$641,872,000 from retained profits in approximately HK$32,967,000 to accumulated losses in approximately HK$608,905,000 for the year ended 30 April 2014.

(e) Condensed Consolidated Statement of Change in Equity
As at 31 October 2014

	As at 31 October 2014 (As previously reported) *HK$'000*	Adjustments *HK$'000*	As at 31 October 2014 (Restated) *HK$'000*
Issued capital	1,576	–	1,576
Share premium account *(note 15(a)(ii))*	1,393,744	450,964	1,844,708
Contributed surplus	37,809	–	37,809
Available-for-sale investments revaluation reserve *(note 15(a)(i))*	(69,437)	62,562	(6,875)
Currency translation reserve	1,585	–	1,585
Convertible notes equity reserve *(note 15(a)(ii))*	1,339	35,441	36,780
Retained profits (accumulated losses) *(note (i))*	55,925	(735,810)	(679,885)
Total Equity	1,422,541	(186,843)	1,235,698

Note:

(i) Retained profits (accumulated losses)

Retained profits (accumulated losses) for the period ended 31 October 2014 was restated due to adjustments stated as per note 15(a)(i) to (iii). As a result, the retained profits decreased by approximately HK$735,810,000 from retained profits in approximately HK$55,925,000 to accumulated losses HK$679,885,000 for the period ended 31 October 2014.

(f) Condensed Consolidated Statement of Change in Equity
As at 1 May 2015

	1 May 2015 (As previously reported) *HK$'000*	Adjustments *HK$'000*	1 May 2015 (Restated) *HK$'000*
Issued capital	1,576	–	1,576
Share premium account *(note 15(a)(ii))*	1,393,744	450,964	1,844,708
Contributed surplus	37,809	–	37,809
Available-for-sale investments revaluation reserve *(note 15(a)(i))*	(42,748)	62,562	19,814
Currency translation reserve	(8,983)	–	(8,983)
Convertible notes equity reserve *(note 15(a)(ii))*	1,339	35,441	36,780
Retained profits (accumulated losses) *(note (i))*	65,462	(740,995)	(675,533)
Total Equity	1,448,199	(192,028)	1,256,171

Note:

(i) Retained profits (accumulated losses)

Retained profits (accumulated losses) for the year ended 30 April 2015 was restated due to the adjustments stated as per note 15(a)(i) to (iii). As a result, the retained profits (accumulated losses) decreased by approximately HK$740,995,000 from approximately HK$65,462,000 to accumulated losses HK$675,533,000 for the year ended 30 April 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the period from 1 May 2015 to 31 October 2015 (the "**Period**"), the Group recorded a profit of approximately HK$75,188,000 (2014: loss of HK$70,980,000 (restated)). The Group's revenue increased to approximately HK$52,356,000 (2014: HK$14,355,000) during the Period as a result of the unprecedented volume of trading coupled with active capital market fund raising activities in the stock market in the second quarter of 2015. Besides, the Group disposed of available-for-sale investments during the Period and recorded a net disposal gain of approximately HK$96,575,000 (2014: loss of HK$3,124,000).

At the board meeting held on 3 November 2014, the former Board of the Company has resolved to make a distribution in specie of 1,575,672,880 shares of Modern Series Limited ("**MSL**"), which represented the entire issued share capital of MSL held by the Company, to the shareholders of the Company on the basis of one MSL share for each share of the Company ("**Distribution**"). Prior to the Distribution, the Group had undergone reorganisation, pursuant to which (i) all the subsidiaries of the Distributed Group (as defined in the circular of the Company dated 30 June 2015) had been transferred to and held by MSL, which had become a direct wholly-owned subsidiary of the Company; (ii) all the subsidiaries of the Remaining Group (as defined in the circular of the Company dated 30 June 2015) had been transferred to and held by Linewear Assets Limited ("**LAL**"), which had become a direct wholly-owned subsidiary of the Company; and (iii) any liabilities between the Distributed Group and the Remaining Group would be settled by way of repayment and/or capitalisation ("**Group Reorganisation**"). After the Group Reorganisation, the Company directly held the entire issued share capital of each of MSL and LAL. MSL in turn held the Distributed Group's businesses comprising of the (i) money lending business in Hong Kong; (ii) money lending, provision of pawn loans and financial consultant services in the PRC; (iii) dealing of bullion contracts; and (iv) business of United Simsen Forex Dealer Limited. LAL, which was an investment holding company, in turn held the Remaining Group's businesses operated under Type 1 (dealing in securities), Type 2 (dealing in future contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) licences issued under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong "**SFO**"). MSL shares were distributed to the shareholders of the Company by way of distribution in specie on 3 August 2015 and the Distributed Group was no longer under control of the Company.

On 30 January 2015, the Company entered into the subscription agreements (as supplemented by the supplemental subscription agreements) with China Huarong International Holdings Limited as the subscriber ("**Huarong**"), pursuant to which, Huarong conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue 1,702,435,038 new shares at the subscription price of HK$0.275 per subscription share ("**Subscription**"). The aggregate nominal value of the subscription shares was HK$1,702,435.04. The aggregate subscription price of the subscription shares was HK$468,169,635.45. On 31 August 2015, all the conditions precedent to the subscription agreements were fulfilled and completion of the Subscription took place where 1,702,435,038 subscription shares had been duly allotted and issued to Camellia Pacific Investment Holding Limited ("**Camellia**"), a direct wholly-owned subsidiary of Huarong.

As at the date of this announcement, Camellia is the controlling shareholder of the Company.

After the successful transformation of the Group, it comprises three reporting operating segments as follows:

Securities

The securities segment comprises of broking and dealing of securities, futures and options contracts and the provision of margin financing services. The revenue from securities segment was improved from approximately HK$14,045,000 to approximately HK$19,112,000 while the net results was improved from a profit of approximately HK$4,095,000 to approximately HK$7,315,000 primarily due to the improved brokerage and margin activities.

Corporate Finance

The Group had provided corporate advisory, placing and underwriting services of equity securities for the Period and the revenue amounted to approximately HK$33,244,000 for the Period (2014: HK$310,000).

Asset Management and Direct Investment

The Group had just started its business in asset management and direct investment after the Subscription. Although the Group had not yet recorded any revenue from this business segment up to 31 October 2015, the Group is actively seeking investment opportunities and expects this business segment to generate revenue in the next reporting period.

Discontinued Operations

The Group's discontinued operations included dealing of bullion and forex contracts, money lending, provision of pawns loans and financing lease services. The revenue from discontinued operations was approximately HK$30,945,000 for the Period (2014: HK$94,107,000) while the discontinued operations recorded a net loss of approximately HK$15,818,000 (2014: HK$31,291,000). The significant drop in revenue from discontinued operations was because the distributed operations were only covered into the Group's results from 1 May 2015 to 3 August 2015 for the Period and the businesses of discontinued operations in Hong Kong had scaled down. The revenue and results relating to these businesses are classified as discontinued operations for both the current period and the last corresponding period.

The Company had completed the Group Reorganisation and the discontinued operations were transferred to MSL. On 3 August 2015, the shares of MSL were distributed to the shareholders of the Company by way of distribution in specie.

PROSPECT

Prior to completion of the Subscription in August 2015 ("**Completion**"), the Group had not fully utilised the licences that it possessed. Subsequent to the Completion, the Board of the Company had conducted a review of the Group's latest business development and strategy going forward. The Group is principally engaged in brokerage and dealing of securities, futures and options contracts, margin financing, loan financing, financial advisory, investment holding, provision of management and consultancy services. As at the date of this announcement, the Group possesses type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) licences issued under the SFO.

Pursuant to the terms and conditions under the Subscription, the shareholder's loan facility in the principal amount of US$1,000,000,000 has been obtained from Huarong. The fund is mainly for expansion of its businesses and operations, as the Group aspires to capture a larger market share and to sustain the growth of such businesses by utilising the above mentioned licences with such strong financial position and support from a professional team of skilled and qualified personnel. Such businesses or activities regulated under such licences comprise (i) investments in the form of loans (which would typically be secured over listed and/or non-listed assets); (ii) investments in securities or convertible securities (including convertible and exchangeable bonds, notes and loans and convertible and exchangeable preference shares); (iii) investments in bonds; (iv) investments in funds; and (v) asset management.

Leveraging on the five advantages of the Group in terms of its resources, brands, network, specialties and licences, the Group endeavours to continuously develop a platform which strengthens the three major businesses of the Group including "wealth management", "corporate finance business" and "capital operation and asset management" while adhering to its specialised operation. Founded on the development of businesses under the securities licences, the Group will continue to expand its businesses into other financial domains and establish an international, professional and diversified integrated financial service system, with a view to achieving expansions and upgrades on customer services and its functions.

FINANCIAL REVIEWS

Capital Structure

During the Period, the Company had issued 1,702,435,038 new shares at HK$0.275 per share. As at 31 October 2015, the total number of the issued share capital with the par value of HK$0.001 each was 3,278,107,918 and total equity attributable to shareholders was approximately HK$670,946,000 (30 April 2015: HK$1,256,171,000).

Liquidity and Financial resources

As at 31 October 2015, the Group had total cash and cash equivalents amounting to approximately HK$1,430,524,000 (30 April 2015: HK$68,337,000), which already excludes approximately HK$977,033,000 (30 April 2015: HK$280,004,000) of client funds that were kept in separate designated bank accounts.

The Group's gearing ratio was 119.1% (30 April 2015: 6.2%), being calculated as borrowings over the Company's shareholders' equity. The increased borrowings are attributable to the loan from the controlling shareholder for the expansion of businesses.

As at 31 October 2015, the Group's banking facilities amounted to HK$40,000,000 (30 April 2015: HK$40,000,000), including a revolving loan facility amounting to HK$10,000,000 (30 April 2015: HK$10,000,000) and the remaining facility amounting to HK$30,000,000 (2014: HK$30,000,000) which represents a margin facility and the availability of this facility is conditional upon the execution of charges over securities by a subsidiary of the Company. None of the banking facilities was utilised and outstanding at the end of the Period. The Group's banking facilities are secured by a corporate guarantee executed by the Company.

The Group actively and regularly reviews and manages its capital structure and makes adjustments in light of changes in economic conditions. For the licensed subsidiaries, the Group ensures each of the subsidiaries maintains a liquidity level adequate to support the level of activities with a sufficient buffer to accommodate increases in liquidity requirements arising from potential increases in the level of business activities. During the Period, all the licensed subsidiaries have complied with the liquidity requirements under the Securities and Futures (Financial Resources) Rules ("**FRR**").

Charges on Group's Assets

As at 31 October 2015, a bank deposit of approximately HK$10,661,000 (30 April 2015: HK$10,725,000) was pledged to secure banking facilities for the Group.

EMPLOYEE AND REMUNERATION POLICY

As at 31 October 2015, the Group employed a total of about 66 employees (30 April 2015: 73 employees, excluding employees in discontinued operations). The Group's staff recruitment and promotion are primarily based on individuals' merits, relevant experiences, development potentials for the positions offered and performance. Staff remuneration and benefit policies, which are formulated by reference to the market, are competitive and performance based.

FOREIGN EXCHANGE EXPOSURES

After disposal of the discontinued operations, the Group's revenue has been mainly denominated in US dollars and Hong Kong dollars while its expenditure is mainly denominated in Hong Kong dollars. The Group foreign exchange exposure is mainly from the translation of liabilities denominated in US dollars. As Hong Kong dollars are pegged with US dollars, the Directors believe that the Group's foreign exchange exposure is manageable and the Group will closely monitor this risk exposure from time to time.

CONTINGENT LIABILITY

Huarong International Securities Limited (previously known as United Simsen Securities Limited) ("**HISL**"), an indirectly wholly owned subsidiary of the Company, was joined as the 10th defendant to the High Court action HCA 64/2012 commenced by Mayer Holdings Limited ("**Mayer**") as plaintiff (the "**Action**") and was served with the Re-amended Writ of Summons and Re-amended Statement of Claim for the Action. Mayer is claiming against HISL for damages for, among other things, breach of contract. HISL has sought legal advice on the alleged claims against it. Based on their understanding of the factual background concerning the alleged claims against HISL, the Directors consider that HISL has a defence of merit and will therefore direct HISL to defend the alleged claims strenuously. HISL was in the course of providing relevant information to the High Court and there was no substantial progress as at 31 October 2015.

Save as disclosed above, the Group had no other material contingent liability at 31 October 2015.

CHANGE OF COMPANY NAME

With effect from 5 October 2015, the English name of the Company was changed from "Simsen International Corporation Limited" to "Huarong International Financial Holdings Limited" and the Chinese name "華融國際金融控股有限公司" was adopted as the secondary name of the Company to replace the previous Chinese name "天行國際（控股）有限公司" which had been used for identification purposes only.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 31 October 2015 (2014: Nil).

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

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

CORPORATE GOVERNANCE

The Board and management of the Company are committed to principles of good corporate governance which are believed to be crucial in enhancing sustainable shareholder value and other stakeholders as well by strictly following the relevant provisions under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The Company has applied the principles and complied with the applicable code provisions (the "**Code Provision**") of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules during the Period.

PUBLICATION OF FURTHER INFORMATION ON WEBSITE

This announcement will be published on the websites of the Company (www.hrif.com.hk) and the Hong Kong Exchanges and Clearing Limited ("**HKEx**") (www.hkexnews.hk). The 2015 Interim Report containing all the applicable information required by the Listing Rules will be despatched to the shareholders of the Company and published on the websites of the Company and HKEx in late January 2016.

AUDIT COMMITTEE

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

APPRECIATION

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

By order of the Board
Huarong International Financial Holdings Limited
Liu Xiaodong
Executive Director and Chief Executive Officer

Hong Kong, 28 December 2015

As at the date of this announcement, the executive Directors are Mr. Liu Xiaodong, Mr. Jiang Rongjian and Mr. Xiong Hao and the independent non-executive Directors are Dr. Wong Tin Yau Kelvin, Mr. Tse Yung Hoi and Mr. Yeung Siu Keung.