



ABC Communications (Holdings) Limited

(Incorporated in Bermuda with limited liability)
(Stock Code: 30)

11/12
Interim Report



CORPORATION INFORMATION

Board of Directors:

Executive Directors:

Mr. Chen Jiasong (*Chairman*)
Mr. Cheung Wai Shing
Mr. Choy Kai Chung, Andy
Mr. Lau Kevin
Mr. Song Gaofeng
Ms. Ma Sai
Ms. Lam Pui Sea (*resigned on 10 October 2011*)

Non-executive Director:

Mr. Qiu Hai Jian

Independent non-executive Directors:

Mr. Lee Kwong Yiu
Mr. Lee Ho Yiu, Thomas
Mr. Zhang Guang Hui

Committees:

Audit Committee:

Mr. Lee Kwong Yiu
Mr. Lee Ho Yiu, Thomas
Mr. Zhang Guang Hui

Remuneration Committee:

Mr. Lee Kwong Yiu
Mr. Lee Ho Yiu, Thomas
Mr. Zhang Guang Hui

Company Secretary:

Mr. Cheung Wai Shing

Authorized Representatives:

Mr. Chen Jiasong
Mr. Cheung Wai Shing

Registered Office:

Clarendon House, 2 Church Street,
Hamilton HM 11, Bermuda.

Principal Place of Business:

Room 2709-10, 27/F.,
China Resources Building,
No. 26 Harbour Road,
Wanchai, Hong Kong.

Auditors:

SHINEWING (HK) CPA LIMITED

Registrars:

Computershare Hong Kong Investor
Services Limited
18th Floor, Hopewell Centre,
183 Queen's Road East, Hong Kong

Solicitors:

Chan, Tang and Kwok Solicitors

Homepage:

<http://www.0030hk.com>

ABC COMMUNICATIONS (HOLDINGS) LIMITED

The Directors are pleased to present the Group's condensed consolidated interim financial information for the six months ended 30 September 2011. The condensed consolidated statement of financial position, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months ended 30 September 2011, all of which are unaudited and condensed, along with selected explanatory notes, are set out on pages 2 to 26 of this report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	Unaudited 30 September 2011 HK\$	Audited 31 March 2011 HK\$
ASSETS			
Non-current assets			
Property, plant and equipment	5	35,820,079	1,090,906
Intangible assets	6	235,769,269	–
Deposits paid for acquisition of property, plant and equipment		–	654,531
		271,589,348	1,745,437
Current assets			
Inventories		1,665,197	–
Trade receivables	7	5,742,718	7,943,012
Other receivables, deposits and prepayments		11,777,590	24,917,515
Deposit paid for acquisition of subsidiaries		–	130,000,000
Derivative financial assets		–	109,000
Financial assets at fair value through profit or loss		3,144,120	–
Bank balances and cash		122,366,920	29,069,220
		144,696,545	192,038,747
Current liabilities			
Trade and other payables	8	43,655,019	15,121,205
Advance subscriptions and licence fees received		3,226,368	3,314,960
Amount due to a substantial shareholder		26,780,993	28,182,385
Amount due to a director		6,999,622	2,482,170
Convertible bonds		36,966,269	14,849,539
		117,628,271	63,950,259

Notes

	Unaudited 30 September 2011 HK\$	Audited 31 March 2011 HK\$
Net current assets	27,068,274	128,088,488
Total assets less current liabilities	298,657,622	129,833,925
EQUITY		
Capital and reserves		
Share capital	9 6,406,432	5,675,360
Reserves	158,174,294	113,169,330
Equity attributable to owners of the Company	164,580,726	118,844,690
Non-controlling interests	134,076,896	10,989,235
Total equity	298,657,622	129,833,925

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Unaudited	
		Six months ended 30 September	
	<i>Notes</i>	2011 HK\$	2010 HK\$
Turnover	4	43,324,843	50,480,028
Cost of sales		(35,107,882)	(41,728,203)
Gross profit		8,216,961	8,751,825
Other income		13,162	12,150
Gain on bargain purchase		7,206,925	–
Fair value gains on promissory notes		1,127,000	–
Fair value losses on financial assets at fair value through profit or loss		(8,853,180)	–
Fair value losses on derivative financial assets		(109,000)	(18,627,216)
Fair value losses on derivative financial liabilities		–	(1,372,281)
Operating expenses		(15,883,633)	(12,217,631)
Finance costs		(933,628)	(11,367,836)
Loss before tax	10	(9,215,393)	(34,820,989)
Income tax expense	11	–	–
Loss for the period		(9,215,393)	(34,820,989)
Other comprehensive income			
Exchange differences arising on translation of foreign operations and other comprehensive income for the period		7,929,425	–
Total comprehensive expense for the period		(1,285,968)	(34,820,989)
Loss for the period attributable to:			
Owners of the Company		(9,339,316)	(35,255,419)
Non-controlling interests		123,923	434,430
		(9,215,393)	(34,820,989)
Total comprehensive expense for the period attributable to:			
Owners of the Company		(3,955,572)	(35,255,419)
Non-controlling interests		2,669,604	434,430
		(1,285,968)	(34,820,989)
Losses per share			
Basic and diluted	12	(1.49) cents	(7.20) cents

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Unaudited

	Attributable to owners of the Company								
	Share capital	Share premium	Capital redemption reserve	Convertible bonds reserve	Exchange reserves	Retained earnings (Accumulated losses)	Sub-total	Non-controlling interests	Total
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
As at 1 April 2010	4,775,360	16,967,523	176,000	18,714,409	-	334,875	40,968,167	10,201,365	51,169,532
Loss for the period and total comprehensive income for the period	-	-	-	-	-	(35,255,419)	(35,255,419)	434,430	(34,820,989)
Issue of shares upon placing	160,000	21,920,000	-	-	-	-	22,080,000	-	22,080,000
Transaction costs attributable to placing of shares	-	(355,276)	-	-	-	-	(355,276)	-	(355,276)
Issue of shares on conversion of convertible bonds	110,000	18,900,050	-	(6,107,266)	-	6,107,266	19,010,050	-	19,010,050
As at 1 April 2011	5,675,360	114,296,555	176,000	560,446	23,957	(1,887,628)	118,844,690	10,989,235	129,833,925
Loss for the period	-	-	-	-	-	(9,339,316)	(9,339,316)	123,923	(9,215,393)
Other comprehensive income for the period	-	-	-	-	5,383,744	-	5,383,744	2,545,681	7,929,425
Total comprehensive income (expenses) for the period	-	-	-	-	5,383,744	(9,339,316)	(3,955,572)	2,669,604	(1,285,968)
Non-controlling interests arising on the acquisition of subsidiaries (note 14)	-	-	-	-	-	-	-	120,418,057	120,418,057
Recognition of equity component of convertible bonds	-	-	-	2,903,000	-	-	2,903,000	-	2,903,000
Issue of shares upon placing	731,072	46,057,536	-	-	-	-	46,788,608	-	46,788,608
As at 30 September 2011	6,406,432	160,354,091	176,000	3,463,446	5,407,701	(1,226,944)	164,580,726	134,076,896	298,657,622

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

		Unaudited	
		Six months ended 30 September	
Notes	2011 HK\$	2010 HK\$	
Operating activities			
	(5,941,875)	(3,536,199)	
	(5,941,875)	(3,536,199)	
Investing activities			
	130,000,000	–	
	(36,314,314)	–	
	20,311,394	–	
5	(1,680,355)	(116,868)	
	(11,997,300)	–	
	13,162	12,150	
	100,332,587	(104,718)	
Financing activities			
	(40,000,000)	–	
	(6,480,228)	500,000	
	(1,401,392)	–	
	–	(22,000,000)	
	46,788,608	21,724,724	
	(1,093,012)	224,724	
	93,297,700	(3,416,193)	
	29,069,220	31,997,595	
	122,366,920	28,581,402	

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. GENERAL INFORMATION

ABC Communications (Holdings) Limited (the “Company”) is an investment holding company. The Company’s subsidiaries (together collectively referred to as the “Group”) are principally engaged in providing financial information services, wireless applications development and securities trading system licensing and extracting and selling mineral products.

The Company is incorporated in Bermuda with limited liability and its shares are listed on the Stock Exchange of Hong Kong Limited. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The address of its principal place of business is Room 2709-10, 27/F, China Resources Building, No. 26 Harbour Road, Wanchai, Hong Kong.

This condensed consolidated interim financial information is presented in Hong Kong Dollars (“HK\$”), unless otherwise stated.

This condensed consolidated interim financial information was approved for issue on 29 November 2011.

2. BASIS OF PREPARATION

These condensed consolidated interim financial information for the six months ended 30 September 2011 has been prepared in accordance with Hong Kong Accounting Standards (“HKAS”) 34, “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The condensed consolidated interim financial information do not include all the information and disclosure required in the Group’s annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2011, which have been prepared in accordance with Hong Kong Financial Reporting Standards (the “HKFRSs”).

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated interim financial information has been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair value, as appropriate.

The accounting policies used in the unaudited condensed consolidated interim financial information are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2011, except as described below.

3. PRINCIPAL ACCOUNTING POLICIES (Continued)

Application of new and revised standards, amendments and interpretations

In the current year, the Group has applied the following new and revised standards, amendments to standards and interpretations (the “new and revised HKFRSs”) issued by the HKICPA.

HKFRSs (Amendments)	Improvements to HKFRSs 2010 except for the amendments to HKFRS 3 (Revised in 2008), HKFRS 7, HKAS 1 and HKAS 28
HKAS 24 (Revised)	Related Party Disclosures
HKFRS 1 (Amendments)	Limited Exemption from Comparative HKFRS 7
Hong Kong (International Financial Reporting Interpretations Committee) (“HK (IFRIC)”) – Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement
HK (IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instrument

New or revised standards, amendments and interpretations issued but not yet effective

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters ¹
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets ¹
HKFRS 9	Financial Instruments ⁴
HKFRS 10	Consolidated Financial Statements ⁴
HKFRS 11	Joint Arrangements ⁴
HKFRS 12	Disclosure of Interests in Other Entities ⁴
HKFRS 13	Fair Value Measurement ⁴
HKAS 1	Presentation of Financial Statements ³
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets ²
HKAS 19 (2011)	Employee Benefits ⁴
HKAS 27 (2011)	Separate Financial Statements ⁴
HKAS 28 (2011)	Investments in Associates and Joint Ventures ⁴
HK (IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine ⁴

¹ Effective for annual periods beginning on or after 1 July 2011.

² Effective for annual periods beginning on or after 1 January 2012.

³ Effective for annual periods beginning on or after 1 July 2012.

⁴ Effective for annual periods beginning on or after 1 January 2013.

3. **PRINCIPAL ACCOUNTING POLICIES** *(Continued)*

HKFRS 9 *Financial Instruments* issued in November 2009 and amended in October 2010 introduces new requirements for the classification and measurement of financial assets and financial liabilities and for derecognition.

- HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be subsequently measured either at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.
- The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was recognised in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors anticipate that HKFRS 9 that will be adopted in the Group's consolidated financial statements for the annual period beginning 1 April 2013 and that the application of the new standard will have a significant impact on amounts reported in respect of the Groups' financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

3. **PRINCIPAL ACCOUNTING POLICIES** *(Continued)*

The amendments to HKFRS 7 titled Disclosures – Transfers of Financial Assets increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period. To date, the Group has not entered into transactions involving transfers of financial assets. However, if the Group enters into any such transactions in the future, disclosures regarding those transfers may be affected.

The new standards on consolidation, joint arrangements and disclosures were issued by the HKICPA in June 2011 and are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of the new standards are applied early at the same time. The directors of the Company anticipate that these new standards will be applied in the Group's consolidated financial statements for financial year ended 31 March 2013 and the potential impact is described below.

HKFRS 10 replaces the parts of HKAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements. Under HKFRS 10, there is only basis for consolidation, that is control. In addition, HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposures, or rights to variable returns from its involvement with the investee, and (c) ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios. Overall, the application of HKFRS 10 requires a lot of judgement. The application of HKFRS 10 might result in the Group no longer consolidating some of its investees, and consolidating investees that were not previously consolidated.

HKFRS 11 replaces HKAS 31 Interests in Joint Ventures. HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under HKFRS 11, there are two types of joint arrangements: joint ventures and joint operations. The classification in HKFRS 11 is based on different types of joint arrangement: jointly controlled entities, jointly controlled assets and jointly controlled operations.

3. **PRINCIPAL ACCOUNTING POLICIES** *(Continued)*

HKAS 24 titled Related Party Disclosures (as revised in 2009) modifies the definition of a related party and simplifies disclosures for government-related entities. The disclosure exemptions introduced in HKAS 24 (Revised) do not affect the Group because the Group is not a government-related entity. However, disclosures regarding related party transactions and balances in these consolidated financial statements may be affected when the revised version of the standard is applied in future accounting periods because some counterparties that did not previously meet the definition of a related party may come within the scope of the standard.

HK(IFRIC) – Int 19 provides guidance regarding the accounting for the extinguishment of a financial liability by the issue of equity instruments. To date, the Group has not entered into transactions of this nature. However, if the Group does enter into any such transactions in the future, HK(IFRIC) – Int 19 will affect the required accounting. In particular, under HK(IFRIC) – Int 19, equity instruments issued under such arrangements will be measured at their fair value, and any difference between the carrying amount of the financial liability extinguished and the fair value of equity instruments issued will be recognised in profit or loss.

The directors of the Company anticipate that the application of other new and revise standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

4. **SEGMENT INFORMATION**

The Group's operating segments, based on information reported to the chief operating decision maker, being the board of directors, for the purpose of resource allocation and performance assessment are as follows:

- (a) Financial quotation and securities trading system licensing segment engages in provision of financial information services, wireless applications development and securities trading system licensing.
- (b) Mining segment engages in extraction and sales of mineral products.

The mining segment was introduced in the current period as a result of the acquisition of Jun Qiao Limited ("Jun Qiao") as set out in note 14.

4. SEGMENT INFORMATION *(Continued)*

Segments revenue and results

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

	Financial quotation and securities trading system licensing		Mining		Total	
	Six months ended 30 September		Six months ended 30 September		Six months ended 30 September	
	2011 HK\$	2010 HK\$	2011 HK\$	2010 HK\$	2011 HK\$	2010 HK\$
Turnover	43,324,843	50,480,028	-	-	43,324,843	50,480,028
Segment profit (loss)	848,802	8,751,825	(682,591)	-	166,211	8,751,825
Unallocated corporate income					8,347,087	12,150
Unallocated corporate expenses					(16,795,063)	(32,217,128)
Finance costs					(933,628)	(11,367,836)
Loss before taxation					(9,215,393)	(34,820,989)

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit earned by the segment without allocation of interest income, gain on bargain purchase, fair value gains on promissory notes, fair value losses on financial assets at fair value through profit or loss, fair value losses on derivative financial assets/liabilities, certain operating expenses and finance costs.

4. **SEGMENT INFORMATION** *(Continued)*
Segments assets and liabilities

	As at	
	30 September 2011 HK\$ (Unaudited)	31 March 2011 HK\$ (Audited)
Segment assets		
Financial quotation and securities trading system licensing	37,817,165	38,704,474
Mining	290,887,493	–
Unallocated corporate assets	87,581,235	155,079,710
	416,285,893	193,784,184
Segment liabilities		
Financial quotation and securities trading system licensing	14,447,195	16,277,463
Mining	31,354,279	–
Unallocated corporate liabilities	71,826,797	47,672,796
	117,628,271	63,950,259

For the purpose of monitoring segment performance and allocating resources between segments:

- As at 30 September 2011 and 31 March 2011, all assets are allocated to reportable segments other than certain other receivables and prepayments, deposit paid for acquisition of subsidiaries, derivative financial assets, financial assets at fair value through profit or loss, and certain bank balances and cash as these assets are managed on a group basis.
- As at 30 September 2011 and 31 March 2011, all liabilities are allocated to reportable segments other than certain other payables, amounts due to a substantial shareholder and director, derivative financial liabilities and convertible bonds which are managed on a group basis.

4. SEGMENT INFORMATION *(Continued)*

Other segment information

Other segment terms included in the condensed consolidated statement of comprehensive income are as follows:

For the six months ended 30 September 2011

	Financial quotation and securities trading system licensing HK\$	Mining HK\$	Unallocated HK\$	Total HK\$
Amounts included in the measure of segment profit or loss or segment assets:				
Depreciation of property, plant and equipment	335,951	6,195	–	342,146
Additions to non-current assets	161,620	–	1,518,735	1,680,355
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:				
Gain on bargain purchase	–	–	(7,206,925)	(7,206,925)
Fair value gains on promissory notes	–	–	(1,127,000)	(1,127,000)
Fair value loss on financial assets at fair value through profit or loss	–	–	8,853,180	8,853,180
Fair value loss on derivative financial assets	–	–	109,000	109,000
Interest income	(12,822)	–	(340)	(13,162)
Finance costs	–	–	933,628	933,628

4. SEGMENT INFORMATION *(Continued)*
Other segment information *(Continued)*
For the six months ended 30 September 2010

	Financial quotation and securities trading system licensing HK\$	Mining HK\$	Unallocated HK\$	Total HK\$
Amounts included in the measure of segment profit or loss or segment assets:				
Depreciation of property, plant and equipment	700,881		–	700,881
Additions to non-current assets	116,868		–	116,868
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:				
Fair value loss on derivative financial assets	–		18,627,216	18,627,216
Fair value loss on derivative financial liabilities	–		1,372,281	1,372,281
Interest income	(12,150)		–	(12,150)
Finance costs	–		11,367,836	11,367,836

4. SEGMENT INFORMATION *(Continued)*

Geographical information

The Group's operations are mainly located in Hong Kong (country of domicile of major subsidiaries) and the People's Republic of China (the "PRC").

The following tables present the Group's revenue and information about its non-current assets by geographical location.

	Hong Kong		Elsewhere in the PRC		Total	
	2011 HK\$	2010 HK\$	2011 HK\$	2010 HK\$	2011 HK\$	2010 HK\$
For the period ended						
30 September						
Segment revenue	<u>43,324,843</u>	<u>50,480,028</u>	<u>-</u>	<u>-</u>	<u>43,324,843</u>	<u>50,480,028</u>
As at						
Non-current assets	<u>2,142,376</u>	<u>1,328,851</u>	<u>269,446,972</u>	<u>416,586</u>	<u>271,589,348</u>	<u>1,745,437</u>

Revenue from major product and services

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

	Unaudited Six months ended 30 September	
	2011 HK\$	2010 HK\$
Revenue from financial quotation and securities trading system licensing services	<u>43,143,314</u>	<u>50,302,428</u>
Revenue from wireless applications	<u>181,529</u>	<u>177,600</u>
	<u>43,324,843</u>	<u>50,480,028</u>

4. SEGMENT INFORMATION *(Continued)*
Information about major customers

Revenue from customers of the corresponding year contributing over 10% of the total sales of the Group are as follows:

	Unaudited	
	Six months ended 30 September	
	2011	2010
	HK\$	HK\$
Customer A	23,828,664	29,634,140

5. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2011, the Group acquired assets with a cost of HK\$1,680,355 (2010: HK\$116,868).

	Property, plant and equipment
	HK\$
	(Unaudited)
Six months ended 30 September 2010	
Carrying amount at 1 April 2010	1,601,441
Additions	116,868
Depreciation	(700,881)
	<u>1,017,428</u>
Six months ended 30 September 2011	
Carrying amount at 1 April 2011	1,090,906
Additions	1,680,355
Acquired on acquisition of subsidiaries	32,702,959
Exchange realignment	688,005
Depreciation	(342,146)
	<u>35,820,079</u>

6. INTANGIBLE ASSETS

During the six months ended 30 September 2011, the Group acquired mining and extraction permits through business combination with Jun Qiao.

**Mining and
extraction
permits**
HK\$
(Unaudited)

Six months ended 30 September 2011

Acquired on acquisition of subsidiaries (<i>note 14</i>)	230,825,397
Exchange realignment	<u>4,943,872</u>
Carrying amount at 30 September 2011	<u><u>235,769,269</u></u>

7. TRADE RECEIVABLES

At 30 September 2011 and 31 March 2011, the ageing analysis, based on the invoice date, of the trade receivables is as follows:

	As at	
	30 September 2011 HK\$ (Unaudited)	31 March 2011 HK\$ (Audited)
0 – 3 months	5,504,586	7,720,662
4 – 6 months	163,982	188,140
Over 6 months	74,150	34,210
	<u>5,742,718</u>	<u>7,943,012</u>

8. TRADE AND OTHER PAYABLES

	As at	
	30 September 2011 HK\$ (Unaudited)	31 March 2011 HK\$ (Audited)
Trade payables (<i>note (a)</i>)	9,953,772	12,103,028
Other payables and accrued charges	33,701,247	3,018,177
	43,655,019	15,121,205

At 30 September 2011 and 31 March 2011, the ageing analysis, based on the invoice date, of the trade payables was as follows:

	As at	
	30 September 2011 HK\$ (Unaudited)	31 March 2011 HK\$ (Audited)
0 – 3 months	9,910,716	12,103,028
4 – 6 months	8,424	–
Over 6 months	34,632	–
	9,953,772	12,103,028

9. SHARE CAPITAL

	As at	
	30 September 2011 HK\$ (Unaudited)	31 March 2011 HK\$ (Audited)
Authorised:		
6,000,000,000 ordinary shares of HK\$0.01 each	<u>60,000,000</u>	<u>60,000,000</u>
Issued and fully paid:		
640,643,200 (31 March 2011: 567,536,000) ordinary shares of HK\$0.01 each	<u>6,406,432</u>	<u>5,675,360</u>

- (i) On 5 May 2011, 73,107,200 ordinary shares of HK\$0.01 each were placed at a price of HK\$0.64 per share and raised gross proceeds of HK\$46,788,608.
- (ii) On 1 September 2010, 16,000,000 ordinary shares of HK\$0.01 each were placed at a price of HK\$1.38 per share and raised gross proceeds of HK\$22,080,000.
- (iii) During the six months ended 30 September 2010, 11,000,000 ordinary shares of the Company with par value of HK\$0.01 each were issued upon the partial conversion of convertible bonds in principal amount of HK\$22,000,000 at a conversion price of HK\$2 each.

There was no outstanding options as at 30 September 2011 and 31 March 2011.

10. LOSS BEFORE TAX

The following items have been charged (credited) to the loss before tax for the six months ended 30 September 2011:

	HK\$ (Unaudited)
Depreciation of property, plant and equipment	342,146
Interest income	(13,162)
	<hr/> <hr/>

The following items have been charged (credited) to the loss before tax for the six months ended 30 September 2010:

	HK\$ (Unaudited)
Depreciation of property, plant and equipment	700,881
Interest income	(12,150)
	<hr/> <hr/>

11. INCOME TAX EXPENSE

No income tax has been provided as the Group has no estimated assessable profits for the period ended 30 September 2011 (2010: Nil).

12. LOSSES PER SHARE

The calculation of basic and diluted losses per share attributable to owners of the Company is based on the following data:

	Six months ended 30 September	
	2011	2010
	HK\$	HK\$
	(Unaudited)	(Unaudited)
Losses		
Loss for the period attributable to owners of the Company	9,339,316	35,255,419
Number of shares		
Weighted average number of ordinary shares for the purpose of basic losses per share	625,268,042	489,464,962

The computation of diluted losses per share for the period ended 30 September 2011 and 30 September 2010 does not assume the conversion of the Group's outstanding convertible bonds since their exercise would result in a decrease in losses per share.

13. DIVIDENDS

No dividend was paid or proposed during the six months ended 30 September 2011, nor has any dividend been proposed since the end of the reporting period (2010: nil).

14. BUSINESS COMBINATIONS

On 9 May 2011, the Group acquired 60% equity interest in Jun Qiao from two independent third parties to the Group, for a total consideration of HK\$104,214,000. Jun Qiao is principally engaged in the extraction and sale of mineral products in the PRC.

Consideration transferred

	HK\$ (Unaudited)
Cash	39,000,000
Issue of convertible bonds (<i>Note 1</i>)	24,087,000
Issue of promissory notes (<i>Note 2</i>)	41,127,000
	<hr/>
	104,214,000
	<hr/> <hr/>

Notes:

1. On 9 May 2011, the Company issued unsecured convertible bonds as part of the consideration for the settlement of the acquisition of 60% equity interest in Jun Qiao.

The details of the Group's convertible bonds outstanding as at 30 September 2011 are set out below:

Date of issue	:	9 May 2011
Principal amount	:	HK\$21,000,000
Outstanding principal amount as at the end of the reporting period	:	HK\$21,000,000
Coupon rate	:	4% per annum
Conversion price	:	HK\$0.70 per share
Conversion period	:	The period commencing from the date of issue of the convertible bonds and ending on the maturity date
Collaterals	:	Nil
Maturity date	:	1 year after the date of issue
Redemption	:	The Convertible Bond is not redeemable by the holders

14. BUSINESS COMBINATIONS (Continued)

Notes: (Continued)

2. On 9 May 2011, the Company issued unsecured promissory notes as part of the consideration for the settlement of the acquisition of 60% equity interest in Jun Qiao. The promissory note was fully repaid during the period.

The details of the Group's promissory notes issued were:

Date of issue	:	9 May 2011
Principal amount	:	HK\$40,000,000
Interest rate	:	6% per annum
Collaterals	:	Nil
Maturity date	:	1 year after the date of issue
Redemption	:	The promissory notes is not redeemable by the holders

Acquisition-related cost were insignificant and have been recognized as expense in the current period and included within "operating expenses" in the unaudited condensed consolidated statement of comprehensive income.

Assets and liabilities recognised at the date of acquisition:

	HK\$
Net assets acquired:	(Unaudited)
Property, plant and equipment	32,702,959
Intangible assets	230,825,397
Inventories	1,630,886
Other receivables, deposits and prepayments	14,339,952
Bank balances and cash	2,685,686
Other payables	(39,348,218)
Amount due to a director	(10,997,680)
	<hr/>
Net assets acquired	231,838,982
	<hr/> <hr/>

14. BUSINESS COMBINATIONS *(Continued)*

Goodwill arising on acquisition

	HK\$ (Unaudited)
Consideration transferred	104,214,000
Plus: Non-controlling interest	120,418,057
Less: Fair value of net identifiable assets acquired	<u>(231,838,982)</u>
Gain on bargain purchase arising on acquisition	<u>(7,206,925)</u>

The gain on bargain purchase is attributable to the Group's ability in negotiating the agreed terms of the transaction with the vendors.

Analysis of net outflow of cash and cash equivalents arising on acquisition:

	HK\$ (Unaudited)
Cash consideration paid	39,000,000
Less: cash and cash equivalent balances acquired	<u>2,685,686</u>
	<u>36,314,314</u>

Impact of acquisition on the results of the Group

Included in the profit for the period is HK\$682,591 attributable to Jun Qiao. The acquisition of Jun Qiao did not contributed any revenue to the Group for the period.

Had the acquisition of Jun Qiao been effected at 1 April 2011, the revenue of the Group from continuing operations for the period ended 30 September 2011 would have been HK\$43,324,843, and the loss for the period would have been HK\$11,992,415. The directors of the Group consider these "proforma" numbers to represent an approximate measure of the performance of the combined group on an annualised basis and to provide a reference point for comparison in future periods.

The fair value of other receivables, deposits and prepayments at the date of acquisition amounted to HK\$14,399,952. The gross contractual amounts of those other receivables, deposits and prepayments acquired amounted to HK\$14,399,952 at the date of acquisition. No estimated uncollectible contractual cash flows were expected at the acquisition date.

The non-controlling interests in Jun Qiao recognized at the acquisition date were measured by reference to the proportionate share of recognized amounts of the net assets of Jun Qiao and amounted to HK\$120,418,057.

15. RELATED-PARTY TRANSACTIONS

Key management compensation amounted to HK\$1,838,000 for the six months ended 30 September 2011 (2010: HK\$1,838,000), is set out below.

	Six months ended 30 September	
	2011	2010
	HK\$	HK\$
	(Unaudited)	(Unaudited)
Salaries, retirement benefit contribution and other short-term benefits	1,838,000	1,838,000

16. EVENTS AFTER THE REPORTING PERIOD

On 7 November 2011, the Company entered into an agreement with Magic Luck International Limited (the "Magic Luck"), an independent third party, for the acquisition of 55% of the issued share capital of Billion Light Holdings Limited, a company incorporated in the British Virgin Islands, for a total consideration of HK\$200,000,000 (the "Consideration"). HK\$100,000,000, HK\$50,000,000 and HK\$50,000,000 of the Consideration would be settled by cash, the issue of two years 6% promissory notes and two years 4% convertible bonds, respectively. Magic Luck and its subsidiaries (the "Magic Luck Group") are principally engaged in the leasing of financial equipments and the provision of relevant settlement system and ancillary services for the terminals of the point of sales.

The acquisition was not completed at the date of these condensed consolidated financial statements. Details regarding the transaction are included in the Company's announcements dated 8 November 2011, 9 November 2011 and 16 November 2011.

MANAGEMENT DISCUSSION AND ANALYSIS

Results

Our Group reported a loss of HK\$9.2 million or a loss per share of 1.49 cents for the six months ended 30 September 2011. As compared with the loss of HK\$35 million or a loss per share of 7.20 cents in the previous interim period, the operating results of the current interim period had been significantly improved as the operating loss were reduced by 74%. This was mainly contributed by the drop of finance costs and fair value loss on derivative assets and/or liabilities, both of which were arisen from the placing of convertible bonds by the Company in previous years. During the current period, the Group recognised a gain on bargain purchase and a fair value losses on financial assets amounted to HK\$7.2 million and HK\$8.9 million respectively. The gain on bargain purchase originated from the acquisition of Jun Qiao Limited during the period and was attributable to the Group's ability in negotiating the agreed terms of the transaction with the vendors. The fair value loss of financial assets represented the holding loss on listed securities, which were marked to market as at 30 September 2011 for financial reporting purpose. The market value of the listed securities has been recovered materially after 30 September 2011. The general and administrative expenses amounted to HK\$ 15.9 million, which represented an increase of 30% over that of last corresponding period. The increase in general and administrative expenses was mainly due to the rise of salaries and related expenses, as well as the increase in the rental expenses of office premise.

Interim Dividend

The Directors did not recommend an interim dividend for the six months ended 30 September 2011.

Business Review

The principal activities of the Group is currently engaged in (i) financial quotation services and securities trading system licensing provided by QuotePower International Limited ("QuotePower"); (ii) wireless applications development provided by ABC QuickSilver Limited; and (iii) exploration and exploitation of mineral products in Henan Province and Xinjiang Uygur Autonomous Region, the PRC by Jun Qiao Limited, which the Group has completed the acquisition of its 60% issued shares capital on 9 May 2011.

During the current interim period, QuotePower was still the core revenue contributor of the Group. Its turnover amounted to approximately HK\$43 million (2010: HK\$50 million). As compared with the last interim period, turnover from QuotePower has been declined by 14%. This reflected loss of subscribers of our financial quotation services owing to the pessimistic market and investment sentiments. The gross profit of HK\$8.2 million remained approximately the same as last corresponding period albeit the drop in turnover. This showed the management's endeavor to improve efficiency and control the cost of sales.

The Group's newly acquired mineral exploration and exploitation businesses were under integration and alignment during the interim period. Thus the Group had not recorded any revenue from the segment.

Outlook

The financial results of QuotePower, the main revenue producer of the Group, to a large extent depend on the performance of the Hong Kong stock market. Hong Kong is an open economy which is easily influenced by the global economy. Uncertainties on the recovery of the United States' economy and the eurozone debts crisis have driven investors to take a more prudent approach in wealth management. As a result, investor sentiment has been slumping in the past few months. Given the strong market position and customer base built up over the years, we are reasonably confident that QuotePower will be able to sustain the impact and maintain its proven track records. Meanwhile, the continued strengthening of Hong Kong as an international financial centre should also present us with new growth prospects, which we believe QuotePower is well-placed to capture. It will continue to explore business opportunities to enhance its market leadership in the area of financial information services and to expand the geographical reach of its sales and marketing activities. It is expected that the financial quotation services provided by the Group will still face severe challenge ahead. The management will strive to exercise prudent business measures to maximize its profitability or to minimize the loss.

On 9 May 2011, the Company completed the acquisition of Jun Qiao, and thereafter, it has been a subsidiary of the Company. Jun Qiao through its subsidiaries and joint venture companies in China, owns 2 gold mines in Henan Province and 1 gold mines in Xinjiang Uygur Autonomous Region. The aggregate mining area of these gold mines amounts to approximately 36.44 square kilometres. Gold is generally believed to be the asylum for capital in time of chaos, as reflected in the significant increase in gold price in the recent years. The management was formulating the best developing strategy for the Group's gold mines. It was believed that the segment would bring positive return to the Group in the near future.

After the date of the interim report on 7 November 2011, the Company entered into a conditional sales and purchase agreement with Magic Luck International Limited (the "Vendor"), for the acquisition of 55% issued share capital and shareholders' loan of Billion Light Holdings Limited (the "Target Company"), for a total consideration of HK\$200,000,000. The Target Company, through its subsidiaries, are principally engaged in the leasing of point-of-sales terminals (the "POS Terminals") and provision of ancillary services in mainland China. During the past years, the e-payment has developed into one of the most important segments in the non-cash payment system in the PRC. The services and products of the e-payment, especially the POS Terminals, have been widely used in many other industries including but not limited to travel, education, public utility, finance and retail. According to the China Payment System Development Report* (中國支付體系發展報告) by the People's Bank of China in May 2011, the number of the POS Terminals installed in the PRC has grown from approximately 270,000 in 2002 to approximately 3,334,000 in 2010 with an annual growth rate of 37%. The management believed that the potential and development in this business segment is significant. The acquisition has not been completed and will be subjected to approval by shareholders. If the acquisition proceeds to completion, the Target Company will become a subsidiary of the Group. Details regarding the proposed acquisition had been included in the Company's announcements dated 8 November 2011 and 16 November 2011.

The Board always believes that it is in the best interest of the Company and the shareholders to diversify the business of the Group. The management of the Company will continue to identify and study potential investment opportunities.

FINANCIAL POSITION

During the period under review, the Group maintains a conservative approach to cash management and risk controls. To achieve better risk controls and efficient fund management, the Group's treasury activities are centralized. As at 30 September 2011, the Group had cash and cash equivalents of approximately HK\$122 million.

Total liabilities of the Group as at 30 September 2011 amounted to approximately HK\$118 million (compared with HK\$64 million on 31 March 2011, and HK\$114.4 million on 30 September 2010). They comprised of convertible bonds, trade and other payable, and short-term borrowings from a substantial shareholder and directors. All liabilities of the Group were denominated in HK dollars. There were two series of convertible bonds remained outstanding at the date of this interim report. The first one with principle amount of HK\$15.2 million will be due on 12 December 2011, while the other will be due on May 2012.

The Group's debt-to-equity ratio as calculated by dividing total liabilities over total equity, as at 30 September 2011, was 0.39 times (31 March 2011: 0.49 times; 30 September 2010: 2.00 times).

As at 30 September 2011, the Group had net current assets of HK\$27 million (31 March 2011: net current assets of HK\$128 million). The management will assess and consider various possible fund raising alternatives to strengthen the capital base and financial position of the Company. The Board is confident that the Company will be able to meet its financial obligation as and when they fall due and has sufficient working capital to support future operational needs.

CAPITAL RAISING AND USE OF PROCEEDS

On 14 April 2011, the Company entered into a conditional placing agreement with Radland International Limited (the "Placing Agent") to place on a best effort basis, a maximum of 73,107,200 placing shares to not less than six independent placees at a price of HK\$0.64 per placing share (the "Placing") under the general mandate granted to the Directors at the annual general meeting held on 21 January 2011. Completion of the placing took place on 5 May 2011 where a total of 73,107,200 placing shares were successfully placed by the Placing Agent. Net proceeds of approximately HK\$45.4 million had been raised and used to finance the cash consideration of the acquisition of Jun Qiao and to fund the general working capital of the Group.

PLEDGE OF ASSETS

As at 30 September 2011, no assets of the Group were pledged to secure general banking facilities granted to the Group.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

	Unaudited 30 September 2011 HK\$	Audited 31 March 2011 HK\$
Contracted but not provided for capital commitment in respect of the acquisition of:		
– Subsidiaries	–	100,000,000
– Property, plant and equipment	–	284,603
	<hr/>	<hr/>
	–	100,284,603
	<hr/> <hr/>	<hr/> <hr/>

As at 30 September 2011, the Group had no material contingent liabilities.

EMPLOYEE REMUNERATION POLICY

As at 30 September 2011, the Group had 57 employees. Total salaries and related costs incurred for the period under review amounted to HK\$6.8 million (2010: HK\$5.8 million). Our remuneration policies are in line with prevailing market practices and formulated on the basis of the performance and experience of individual employees. Apart from basic salaries, other staff benefits include provident funds and medical schemes. The Company may also grant share options to eligible employees to motivate their performance and contribution to the Group.

POST BALANCE SHEET EVENTS

On 7 November 2011, the Company entered into a conditional sales and purchase agreement with Magic Luck International Limited (the “Vendor”), for the acquisition of 55% issued share capital and shareholders’ loan of Billion Light Holdings Limited (the “Target Company”), for a total consideration of HK\$200 million. The consideration will be settled as to HK\$100 million by cash; as to HK\$50 million by the issue of a 2-year 4% convertible bond; and as to HK\$50 million by the issue of a 2-year 6% promissory note. As at the date of this interim report, HK\$30 million has been paid as refundable deposit on the signing of the sales and purchase agreement.

The Target Company, through its subsidiaries, are principally engaged in the leasing of point-of-sales terminals and provision of ancillary services in Mainland China. The proposed acquisition, which subject to approval of shareholders, has not yet been completed. Details regarding the proposed acquisition had been included in the Company’s announcements dated 8 November 2011 and 16 November 2011.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased or sold any of the Company’s securities during the period and the Company has not redeemed any of its securities during the period.

DIRECTORS' INTERESTS

As at 30 September 2011, according to the register of interest kept by the Company under Section 336 of the Securities and Futures Ordinance (the "SFO") and so far as was known to the Directors, none of the Directors and chief executives of the Company held any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) where required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for the Securities Transactions by Directors of Listed Companies (the "Code") of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), to be notified to the Company and the Stock Exchange.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from the share option scheme disclosed in the section "**SHARE OPTION SCHEME**" below, at no time during the period was the Company, or any of its subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate and neither the Directors nor any of their spouses or children under 18 years of age, had any right to subscribe for shares or debt securities of the Company, or had exercised any such rights during the period under review.

SHARE OPTION SCHEME

Under the share options scheme (the "Options Scheme") approved by the shareholders at a Special General Meeting of the Company held on 27 March 2002, the Directors may, at their discretion, invite any eligible participants, including any executive director, non-executive director and employee of the Company and its subsidiary, to take up options to subscribe for fully period ordinary share in the Company subject to the stipulated terms and conditions.

As at 30 September 2011, the total number of shares available for issue under the Options Scheme was 44,188,600 shares which represented approximately 6.9% of the total issued share capital of the Company.

During the period under review, no options were granted or exercised under the Options Scheme. No options were outstanding under the Options Scheme as at 30 September 2011.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE COMPANY

As at 30 September 2011, the register of substantial shareholders maintained under Section 336 of the SFO shows that the Company had been notified of the following substantial shareholders' interests, being 5 per cent or more of the Company's issued share capital.

Name	Number of Ordinary Shares held	Percentage
Asian Gold Dragon Limited	215,054,500	33.57%
Mr. Sze Chun Ning, Vincent (<i>Note (i)</i>)	215,054,500	33.57%
Rising Step Holdings Limited	71,376,000	11.14%
Mr. Zhou Shui Jia (<i>Note (ii)</i>)	71,376,000	11.14%

Note:

- (i) These shares are held by Asian Gold Dragon Limited. Mr. Sze Chun Ning, Vincent holds 85% of the issued share capital of Asian Gold Dragon Limited.
- (ii) These shares are held by Rising Step Holdings Limited. Mr. Zhou Shui Jia holds 100% of the issued shares capital of Rising Step Holdings Limited.

All the interests stated above represent long position. Save as disclosed herein, there is no person known to the directors who, as at 30 September 2011, was directly or indirectly interested in 5% or more of the nominal value of any class of share capital of the Company required to be recorded in the register kept pursuant to Section 336 of SFO.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the Code on Corporate Governance Practices (the “Code”) as set out in Appendix 14 to the Listing Rules of the Stock Exchange during the six months ended 30 September 2011 except for the following deviation:

Code Provision A.4.1

Under the code provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election. All non-executive directors of the Company were not appointed for a specific term, but every director of the Company will be subject to retirement no later than the third annual general meeting after his election, under the Company’s Bye-Laws. As such, the Board considers that sufficient measures have been taken to ensure that the Company’s corporate governance practices are not less exacting than those in the Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules as its own code of Conduct regarding securities transactions by the directors of the Company. All Directors have confirmed that they fully complied with the Model Code during the period under review.

AUDIT COMMITTEE

The Audit Committee of the Company comprises three independent non-executive directors, namely Mr. Lee Kwong Yiu, Mr. Lee Ho Yiu, Thomas and Mr. Zhang Guang Hui.

The Group’s unaudited accounts for the six months ended 30 September 2011 have been reviewed by the Audit Committee of the Company.

By order of the Board
Chen Jiasong
Chairman

Hong Kong, 29 November 2011