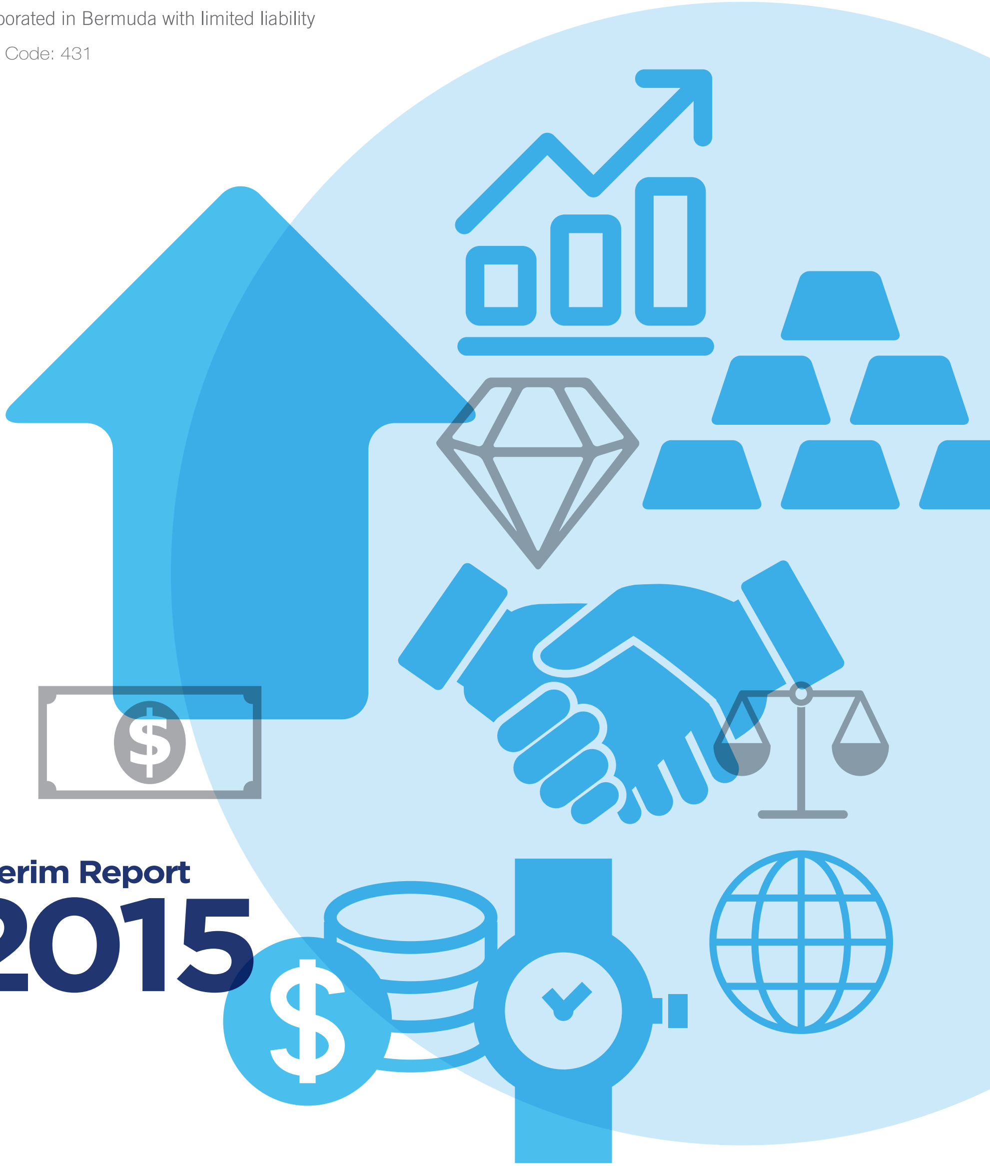
大中華實業控股有限公司
GREATER CHINA HOLDINGS LIMITED

Incorporated in Bermuda with limited liability

Stock Code: 431



Interim Report 2015

CONTENTS

	Pages
CORPORATE INFORMATION	2
REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION	3
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	5
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	7
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	9
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	10
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	11
INTERIM DIVIDEND	63
MANAGEMENT DISCUSSION AND ANALYSIS	63
PROSPECTS	69
DIRECTORS' INTEREST IN SHARES	72
SHARE OPTIONS	73
INTERESTS OF SUBSTANTIAL SHAREHOLDERS	73
PURCHASE, SALE AND REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY	74
CORPORATE GOVERNANCE	74
MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS	75
AUDIT COMMITTEE	76
REMUNERATION COMMITTEE	76
APPRECIATION	76

CORPORATE INFORMATION

Executive Directors

Ms. Ma Xiaoling *(Chairman)*
Ms. Chan Siu Mun
Mr. Shao Yonghua

Non-executive Directors

Mr. Chen Ningdi
Mr. Joseph Shie Jay Lang

Independent Non-executive Directors and Audit Committee

Mr. Jin Bingrong
Mr. Kwan Kei Chor
Mr. Lin Ruei Min

Company Secretary

Ms. Chan Siu Mun

Auditor

HLM CPA Limited
Certified Public Accountants

Principal Bankers

Bank of China
Hang Seng Bank Limited
Taicang Rural Commercial Bank

Legal Advisors

Iu, Lai & Li Solicitors & Notaries

Head Office and Principal Place of Business

Rooms 1013 & 15, 10/F.
Leighton Centre
77 Leighton Road
Causeway Bay
Hong Kong

Registered Office

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Principal Share Registrars and Transfer Office

MUFG Fund Services
(Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

Hong Kong Branch Share Registrars and Transfer Office

Tricor Tengis Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

Stock Code

431

Website

http://www.irasia.com/listco/hk/greaterchina/index.htm

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

恒健會計師行有限公司
HLM CPA LIMITED
Certified Public Accountants

Room 305, Arion Commercial Centre
2-12 Queen's Road West, Hong Kong.
香港皇后大道西2-12號聯發商業中心305室
Tel 電話: (852) 3103 6980
Fax 傳真: (852) 3104 0170
E-mail 電郵: info@hlm.com.hk

TO THE BOARD OF DIRECTORS OF GREATER CHINA HOLDINGS LIMITED
大中華實業控股有限公司
(Incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 5 to 62, which comprises the consolidated statement of financial position of Greater China Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") as at 30 June 2015 and the related consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34"), issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The directors are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review 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 HKICPA. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

HLM CPA Limited
Certified Public Accountants
Ho Pak Tat
Practising Certificate Number: P05215
Hong Kong

15 August 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2015

		Six months ended 30 June	
	NOTES	**2015** **HK$'000** **(unaudited)**	2014 HK$'000 (unaudited)
Revenue	4	**51,455**	6,342
Cost of sales		**(575)**	–
Gross profit		**50,880**	6,342
Other income, gains and losses	6	**124,881**	1,138
Administrative and other operating expenses		**(45,309)**	(12,924)
Finance costs	7	**(10,432)**	(6,840)
Profit (loss) before taxation		**120,020**	(12,284)
Income tax	8	**(7,530)**	–
Profit (loss) for the period	9	**112,490**	(12,284)
Other comprehensive income (expense), net of tax			
Items that are/may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**3,124**	(1,148)
Release of translation reserve upon disposal of subsidiaries		**(39,980)**	–
		(36,856)	(1,148)
Total comprehensive income (expense) for the period		**75,634**	(13,432)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2015

		Six months ended 30 June	
	NOTE	**2015 HK$'000 (unaudited)**	2014 HK$'000 (unaudited)
Profit (loss) for the period attributable to:			
Owners of the Company		**112,490**	(12,254)
Non-controlling interests		**–**	(30)
		112,490	(12,284)
Total comprehensive income (expense) for the period attributable to:			
Owners of the Company		**75,634**	(13,401)
Non-controlling interests		**–**	(31)
		75,634	(13,432)
		HK cents	HK cents
Earnings (loss) per share	11		
– Basic		**32.08**	(4.09)
– Diluted		**31.63**	(4.09)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2015

	NOTES	**30.6.2015 HK$'000 (unaudited)**	31.12.2014 HK$'000 (audited)
Non-current assets			
Property, plant and equipment	12	**131,049**	133,775
Prepaid lease payments	13	**27,670**	27,952
Goodwill	14	**194,616**	–
		353,335	161,727
Current assets			
Repossessed assets	15	**44**	–
Pawn loans receivables	16	**245,238**	–
Trade and other receivables	17	**1,489**	2,803
Prepaid lease payments	13	**802**	799
Prepayments and deposits	18	**3,136**	672
Pledged bank deposits	19	**38,073**	–
Bank balances and cash		**241,524**	12,753
		530,306	17,027
Assets classified as held for sale	20	**8,068**	130,906
		538,374	147,933

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2015

	NOTES	**30.6.2015 HK$'000 (unaudited)**	31.12.2014 HK$'000 (audited)
Current liabilities			
Other payables and accruals	21	**17,307**	19,026
Borrowings	22	**189,858**	30,330
Tax payables		**3,534**	–
		210,699	49,356
Liabilities directly associated with assets classified as held for sale	20	**10,153**	109,135
		220,852	158,491
Net current assets (liabilities)		**317,522**	(10,558)
Total assets less current liabilities		**670,857**	151,169
Non-current liabilities			
Deferred consideration	25	**127,920**	–
Convertible notes	23	**51,037**	–
Borrowings	22	**88,837**	41,704
		267,794	41,704
Net assets		**403,063**	109,465
Capital and reserves			
Share capital	24	**1,797**	1,499
Reserves		**401,266**	107,966
Total equity		**403,063**	109,465

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Attributable to owners of the Company							
	Share capital HK$'000	**Share premium** HK$'000	**Convertible notes equity reserve** HK$'000	**Translation reserve** HK$'000	**Accumulated losses** HK$'000	**Sub-total** HK$'000	**Non-controlling interests** HK$'000	**Total** HK$'000
At 1 January 2014 (audited)	1,499	379,281	–	37,221	(287,098)	130,903	196	131,099
Loss for the period	–	–	–	–	(12,254)	(12,254)	(30)	(12,284)
Other comprehensive expenses								
– Exchange differences on translation of foreign operations	–	–	–	(1,147)	–	(1,147)	(1)	(1,148)
Total comprehensive expense for the period	–	–	–	(1,147)	(12,254)	(13,401)	(31)	(13,432)
At 30 June 2014 (unaudited)	1,499	379,281	–	36,074	(299,352)	117,502	165	117,667
Loss for the period	–	–	–	–	(7,321)	(7,321)	211	(7,110)
Other comprehensive income (expense)								
– Exchange differences on translation of foreign operations	–	–	–	243	–	243	1	244
– Release of translation reserve upon disposal of a subsidiary	–	–	–	(959)	–	(959)	(1)	(960)
Total comprehensive expense for the period	–	–	–	(716)	(7,321)	(8,037)	211	(7,826)
Release of non-controlling interests arising on disposal of a subsidiary	–	–	–	–	–	–	(376)	(376)
At 31 December 2014 and 1 January 2015 (audited)	1,499	379,281	–	35,358	(306,673)	109,465	–	109,465
Profit for the period	–	–	–	–	112,490	112,490	–	112,490
Other comprehensive income (expense)								
– Exchange differences on translation of foreign operations	–	–	–	3,124	–	3,124	–	3,124
– Release of translation reserve upon disposal of subsidiaries	–	–	–	(39,980)	–	(39,980)	–	(39,980)
Total comprehensive (expense) income for the period	–	–	–	(36,856)	112,490	75,634	–	75,634
Issue of new shares on placements	298	116,474	–	–	–	116,772	–	116,772
Issue of convertible notes on acquisition of subsidiaries	–	–	101,192	–	–	101,192	–	101,192
At 30 June 2015 (unaudited)	1,797	495,755	101,192	(1,498)	(194,183)	403,063	–	403,063

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Notes	2015 HK$'000 (unaudited)	2014 HK$'000 (unaudited)
Cash (used in) generated from operations		**(96,952)**	21,991
Interest paid		**(8,379)**	(6,726)
Tax paid		**(3,996)**	–
Net cash (used in) generated from operating activities		**(109,327)**	15,265
Investing activities			
(Placement) withdrawal of pledged bank deposits		**(161)**	38,394
Purchase of property, plant and equipment	12	**(296)**	(7)
Proceeds from disposal of subsidiaries	26	**183,737**	–
Net cash inflow from acquisition of subsidiaries		**19,674**	–
Other investing activities		**221**	1,311
Net cash generated from investing activities		**203,175**	39,698
Financing activities			
Proceeds from placing of shares		**116,772**	–
Proceeds from borrowings		**171,230**	154,118
Repayment of borrowings		**(154,314)**	(170,541)
Net cash generated from (used in) financing activities		**133,688**	(16,423)
Net increase in cash and cash equivalents		**227,536**	38,540
Cash and cash equivalents at 1 January		**12,753**	9,106
Effect of foreign exchange rate changes		**1,235**	(886)
Cash and cash equivalents at 30 June, represented by bank balances and cash		**241,524**	46,760

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2015

1. BASIS OF PREPARATION

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

The unaudited condensed consolidated financial statements has been prepared in accordance with the same accounting policies in the Group's audited financial statements for the year ended 31 December 2014, except for the accounting policy changes that are expected to be reflected in the audited financial statements for the year ended 31 December 2015. Details of any changes in accounting policies are set out in note 2.

The preparation of the unaudited condensed consolidated financial statements in conformity with HKAS 34 requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The unaudited condensed consolidated financial statements include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since 31 December 2014. The unaudited condensed consolidated financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs"). They shall be read in conjunction with the Group's audited financial statements for the year ended 31 December 2014.

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

The condensed consolidated financial statements have been prepared on the historical cost basis.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six-month period ended 30 June 2015 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2014.

In the current interim period, the Group has applied, for the first time, the following new interpretation and amendments to HKFRSs issued by the HKICPA that are relevant to the preparation of the Group's 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 and revised HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

New and revised HKFRSs issued but not yet effective

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these interim financial statements:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle[2]
HKFRS 9	Financial Instruments[4]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	Investment Entities: Applying the Consolidation Exception[2]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[2]
HKFRS 14	Regulatory Deferral Accounts[1]
HKFRS 15	Revenue from Contracts with Customers[3]
Amendments to HKAS 1	Disclosure Initiative[2]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[2]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[2]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[2]

1 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with earlier application permitted

2 Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted

3 Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted

4 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted

The directors of the Company anticipate that the application of these new or revised standards, amendments and interpretations will have no material impact on the condensed consolidated financial statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The wholly owned subsidiary, 上海佑勝投資咨詢有限公司 ("Shanghai Yousheng"), has entered a series of contractual agreements (details as below) with 上海新盛典當有限公司 ("Shanghai Xinsheng Pawnshop"), Shanghai Xinsheng Pawnshop's direct equity holders namely 上海置鋒實業有限公司 ("Shanghai Zhifeng") and上海快鹿投資(集團)有限公司 ("Shanghai Kuailu"), and their respective equity holders, which enables the Group to:

- exercise effective control over Shanghai Xinsheng Pawnshop;
- exercise equity holders' voting rights of Shanghai Zhifeng and Shanghai Kuailu during the general meetings of Shanghai Xinsheng Pawnshop;
- receive a majority of the economic benefits of Shanghai Xinsheng Pawnshop through service fees in consideration for the management and consulting services provided by Shanghai Yousheng;
- receive the residual economic benefits of Shanghai Xinsheng Pawnshop by exercising an exclusive option to purchase the entire equity interest in Shanghai Xinsheng Pawnshop when and to the extent permitted under PRC laws; and
- obtain a pledge over the entire equity interest of Shanghai Zhifeng and Shanghai Kuailu from their respective equity holders.

The details of the contractual agreements are summarised below:

(i) 獨家管理顧問服務協議 (the "Exclusive Consulting Service Agreement") dated 30 September 2014, its supplemental agreement on 20 November 2014 and its second supplemental agreement on 22 December 2014 pursuant to which Shanghai Yousheng agreed to provide the Shanghai Xinsheng Pawnshop with exclusive management consultancy services for managing the business of pawn broking and money lending in the PRC, and the Shanghai Xinsheng Pawnshop agreed to pay its profit before income tax (after deducting all necessary costs and expenses) as service fees to Shanghai Yousheng;

(ii) 股權質押合同 (the "Equity Pledge Agreement") dated 30 September 2014 and its supplemental agreement dated 20 November 2014, pursuant to which Shanghai Kuailu and Shanghai Zhifeng agreed to pledge the entire equity of Shanghai Xinsheng Pawnshop to Shanghai Yousheng, as security for the payment obligation under the Exclusive Consulting Service Agreement. Under the Equity Pledge Agreement (as amended and supplemented), except with prior written consent of Shanghai Yousheng, Shanghai Kuailu and Shanghai Zhifeng are prohibited from transferring any of its equity interest in Shanghai Xinsheng Pawnshop, or creating or allowing any creation of any pledge which may affect the rights and benefits of Shanghai Yousheng;

(iii) 獨家購買期權協議 (the "Exclusive Call Option Agreement") dated 30 September 2014, its supplemental agreement on 20 November 2014 and its second supplemental agreement on 22 December 2014 pursuant to which Shanghai Kuailu and Shanghai Zhifeng agreed to irrevocably undertake that insofar as permitted under applicable PRC laws and regulations, they shall transfer their respective equity interests in Shanghai Xinsheng Pawnshop back to Shanghai Yousheng with nil consideration. In the event that consideration is required to be provided for such transfer under relevant PRC laws and regulations, such consideration shall be the minimum as permitted under applicable PRC laws and regulations, and that insofar as permitted under applicable PRC laws and regulations, the full amount of consideration received by or paid to the registered shareholders of Shanghai Xinsheng Pawnshop, shall be returned to Shanghai Yousheng; and

(iv) 授權委託協議 (the "Authorization Agreement") dated 30 September 2014 and its supplement agreement dated 20 November 2014, pursuant to which Shanghai Kuailu and Shanghai Zhifeng have unconditionally and irrevocably authorized and entrusted Shanghai Yousheng or any party assigned by Shanghai Yousheng to exercise, at the discretion of Shanghai Yousheng, all the shareholders' rights of Shanghai Xinsheng Pawnshop including (without limitation) rights to approve shareholders' resolutions, file documents with the relevant companies registry, vote in shareholders' meetings, transfer or in whatever way deal with the equity interest of Shanghai Xinsheng Pawnshop, and all shareholders' rights provided for under the PRC laws and the articles of Shanghai Xinsheng Pawnshop.

The Authorization Agreement also provided Shanghai Yousheng with the right to authorize, at any time, any of its directors and their respective successors (including the liquidation committee of Shanghai Yousheng upon liquidation of Shanghai Yousheng), and the directors (and successors) of Shanghai Xinsheng Pawnshop as nominated by Shanghai Yousheng (including members of the liquidation committee of Shanghai Xinsheng Pawnshop nominated by Shanghai Yousheng upon liquidation of Shanghai Xinsheng Pawnshop), to exercise all rights granted to Shanghai Yousheng under the Authorization Agreement (as amended and supplemented), and such persons may only take instructions from Shanghai Yousheng without seeking any prior agreement with Shanghai Xinsheng Pawnshop.

Pursuant to the above agreements ("Contractual Agreements") and undertakings, notwithstanding the fact that the Group does not hold direct equity interest in Shanghai Xinsheng Pawnshop, the Group controls Shanghai Xinsheng Pawnshop and is considered to be the primary beneficiary of the results, assets and liabilities of Shanghai Xinsheng Pawnshop. Consequently, the Company treats Shanghai Xinsheng Pawnshop as an indirect subsidiary under HKFRS. The Group has included the financial position and results of Shanghai Xinsheng Pawnshop in the consolidated financial statements.

The Group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition by acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Loss of control of a subsidiary

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined the Company's board of directors as its chief operating decision maker.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date (see the accounting policy below); and

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another HKFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with HKAS 39, or HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Warehouse storage income

Warehouse storage income is recognised when the storage services are rendered.

Sales of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;

- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income

Interest income (as a case may be, including the administrative fees that are an integral part of the effective interest) from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Consultancy service income

Consultancy service income is recognised when the service is provided.

Gain on disposal of repossessed assets

Disposal gain is recognised when the buyer of the repossessed assets has accepted the goods and the related risks and rewards of ownership.

Repossessed assets

Repossessed assets are initially recognised at the amortised cost of the related outstanding loans on the date of repossession, which is generally below the net realisable value of the repossessed assets. Upon repossession of the assets, the related loans and advances together with the related impairment allowances, if any, are derecognised from the consolidated statements of financial position. Subsequently, repossessed assets are carried at the lower of the amount initially recognised or net realisable value and are therefore written down if and when the net realisable value falls to below the carrying amount of the asset. The difference between the net proceeds and the carrying amount of the repossessed assets is recognised as a gain or loss upon the disposal of the assets.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are mainly classified into 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including pawn loans receivables, trade and other receivables and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or counterparty;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- deterioration in the value of collateral.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the consolidated statements of comprehensive income.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e. on the basis of the Group's grading process that considers collateral type, past due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the group and historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist.

Estimates of changes in future cash flows for groups of assets should reflect and be directionally consistent with changes in related observable data from period to period (for example, changes in property prices, payment status, or other factors indicative of changes in the probability of losses in the group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience.

When a loan is uncollectible, it is written off against the related allowances for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the consolidated statements of profit or loss and other comprehensive income.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Convertible notes

The component parts of compound instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to convertible notes equity reserve. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to convertible notes equity reserve. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

Other financial liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, (where appropriate), a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Related parties

(i) A person, or a close member of that person's family, is related to the Group if that person:

(a) has control or joint control of the Group;

(b) has significant influence over the Group; or

(c) is a member of the key management personnel of the Group or of a parent of the Group.

(ii) An entity is related to the Group if any of the following conditions applies:

(a) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(b) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(c) both entities are joint ventures of the same third party.

(d) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(e) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.

(f) the entity is controlled or jointly controlled by a person identified in (i).

(g) a person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

Provisions, contingent liabilities and contingent assets

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, of the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

A contingent asset is a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. A contingent asset is not recognised but is disclosed in the notes to the consolidated financial statements, where necessary, when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Group's consolidated financial statements and its financial result are influenced by accounting policies, assumptions, estimates and management judgment which necessarily have to be made in the course of preparation of the consolidated financial statements.

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events.

Accounting policies and management's judgments for certain items are especially critical for the Group's results and financial situation due to their materiality in amount.

(a) Impairment allowances on pawn loans receivables

The Group reviews its loan portfolios to assess impairment periodically. In determining whether an impairment loss should be recorded in the profit or loss, the Group makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group (e.g. payment delinquency or default), or local economic conditions that correlate with defaults on assets in the Group. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

(b) Income taxes

The Group is subject to income taxes in a number of jurisdictions. Significant judgment is required in determining the provision for income taxes in various jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

(c) Contractual Agreements

Under the relevant rules and regulations prevailing in the PRC, wholly foreign-owned enterprises are not allowed to operate pawn-loan business in China. The current registered equity holders of Shanghai Xinsheng Pawnshop are Shanghai Kuailu and Shanghai Zhifeng. As described in Basis of consolidation in note 2 above, the Group's wholly owned subsidiary Shanghai Yousheng entered into a series of Contractual Agreements with Shanghai Xinsheng Pawnshop, Shanghai Kuailu, Shanghai Zhifeng and the equity holders of Shanghai Kuailu and Shanghai Zhifeng. Pursuant to the Contractual Agreements and undertakings, notwithstanding the fact that the Group does not hold direct equity interest in Shanghai Xinsheng Pawnshop, management considers that the Group has power over the financial and operating policies of Shanghai Xinsheng Pawnshop and receive a majority of the economic benefits from its business activities. Accordingly, Shanghai Xinsheng Pawnshop has been treated as an indirect subsidiary of the Company.

4. REVENUE

Revenue represents revenue arising from warehouse storage income, pawn loan interest income, consultancy service income and gain on disposal of repossessed assets.

5. SEGMENT INFORMATION

The Group's operations are organised into pawn loan financing, industrial property development and general trading. Information reported to the chief operating decision maker for the purpose of resources allocation and assessment of segment performance is prepared on such basis. The Group's reportable and operating segments comprise pawn loan financing, industrial property development and general trading.

– Pawn loan financing segment represents the operation of pawnshop in Shanghai, the PRC.

– Industrial property development segment represents the operation of warehouse storage in Taicang City, the PRC.

– General trading segment includes trading of metal materials, electronic products etc. Currently, the Group's general trading activities are carried out in the PRC.

Segment revenues and results

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

For the six months ended 30 June 2015 (unaudited)

	Pawn loan financing HK$'000	Industrial property development HK$'000	General trading HK$'000	Total HK$'000
SEGMENT REVENUE	**44,705**	**6,750**	**–**	**51,455**
SEGMENT RESULTS	**27,621**	**(10,875)**	**(77)**	**16,669**
Unallocated corporate income				**127,341**
Unallocated corporate expenses				**(23,990)**
Profit before tax				**120,020**
Income tax				**(7,530)**
Profit for the period				**112,490**

For the six months ended 30 June 2014 (unaudited)

	Pawn loan financing HK$'000	Industrial property development HK$'000	General trading HK$'000	Total HK$'000
SEGMENT REVENUE	–	6,342	–	6,342
SEGMENT RESULTS	–	(8,280)	(530)	(8,810)
Unallocated corporate income				–
Unallocated corporate expenses				(3,474)
Loss before tax				(12,284)
Income tax				–
Loss for the period				(12,284)

All of the segment revenue reported above is from external customers.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments.

At 30 June 2015 (unaudited)

	Pawn loan financing HK$'000	Industrial property development HK$'000	General trading HK$'000	Total HK$'000
ASSETS				
Segment assets	262,299	225,839	25,772	513,910
Unallocated bank balances and cash				173,234
Unallocated property, plant and equipment				171
Unallocated other receivables, prepayments and deposits				1,710
Unallocated goodwill				194,616
Assets classified as held for sale				8,068
Consolidated total assets				891,709
LIABILITIES				
Segment liabilities	156,634	139,852	2,538	299,024
Unallocated other payables				512
Unallocated convertible notes				51,037
Unallocated deferred considerations				127,920
Liabilities directly associated with assets classified as held for sales				10,153
Consolidated total liabilities				488,646

At 31 December 2014 (audited)

	Pawn loan financing HK$'000	Industrial property development HK$'000	General trading HK$'000	Total HK$'000
ASSETS				
Segment assets	–	176,227	933	177,160
Unallocated bank balances and cash				985
Unallocated property, plant and equipment				172
Unallocated other receivables, prepayments and deposits				437
Assets classified as held for sale				130,906
Consolidated total assets				309,660
LIABILITIES				
Segment liabilities	–	66,507	17,692	84,199
Unallocated other payables				6,861
Liabilities directly associated with assets classified as held for sale				109,135
Consolidated total liabilities				200,195

6. OTHER INCOME, GAINS AND LOSSES

	For the six months ended 30 June	
	2015	2014
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Gain on disposal of subsidiaries	**127,263**	–
Interest income	**221**	1,138
Sundry income	**254**	–
Exchange loss	**(279)**	–
Impairment allowance of pawn loans receivables	**(2,477)**	–
Loss on written off of property, plant and equipment	**(36)**	–
Written off of other receivables	**(65)**	–
	124,881	1,138

7. FINANCE COSTS

	For the six months ended 30 June	
	2015	2014
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Effective interest on convertible notes	**412**	–
Interest on bank loans	**4,171**	6,840
Interest on other loans	**5,849**	–
	10,432	6,840

8. INCOME TAX

	For the six months ended 30 June	
	2015	2014
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Current tax – PRC Enterprise Income Tax	**7,530**	–

No provision for Hong Kong Profits Tax has been made as the subsidiaries operating in Hong Kong incurred tax loss for both periods.

Pursuant to the enterprise income tax rules and regulations of the PRC, the provision for PRC Enterprise Income Tax is calculated at applicable rates of 25% based on estimated taxable income with certain tax concession, based on existing legislation, interpretation and practices.

9. PROFIT (LOSS) FOR THE PERIOD

Profit (loss) for the period has been arrived at after charging the following items:

	For the six months ended 30 June	
	2015	2014
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Amortisation of prepaid lease payments	**400**	1,136
Depreciation of property, plant and equipment	**4,572**	4,386
Impairment allowance of pawn loans receivables	**2,477**	–
Legal and professional fee	**15,864**	439
Staff costs including directors' emoluments	**6,950**	3,543

10. DIVIDENDS

No dividends were paid, declared or proposed during the interim period. The directors have determined that no dividend will be paid in respect of the interim period.

11. EARNINGS (LOSS) PER SHARE

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

	For the six months ended 30 June	
	2015	2014
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Earnings (loss)		
Earnings (loss) for the period attributable to owners of the Company for the purpose of basic earnings (loss) per share	**112,490**	(12,254)
Effect of dilutive potential ordinary shares:		
Interest on convertible notes (net of tax)	**412**	–
Earnings (loss) for the purpose of diluted earnings (loss) per share	**112,902**	(12,254)
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	**350,605**	299,847
Effect of dilutive potential ordinary shares:		
– Convertible notes	**6,392**	–
Weighted average number of ordinary shares for the purpose of diluted earnings (loss) per share	**356,997**	299,847

The calculation of basic earnings per share amount is based on the profit for the period attributable to owner of the Company, and the weighted average number of ordinary shares in issue during the period.

For the six-month ended 30 June 2015, diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has dilutive potential ordinary shares which are the convertible notes. The convertible notes are assumed to have been converted into ordinary shares, and the net profit is adjusted to eliminate the interest expense less the tax effect.

No adjustment has been made to the basic loss per share amount presented for the six-month ended 30 June 2014 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the period.

12. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the interim period, the Group acquired property, plant and equipment with a cost of HK$296,000 (six months ended 30 June 2014: HK$7,000). There were additions to property, plant and equipment with a net book value of HK$1,005,000 through acquisition of subsidiaries which is set out in note 25.

Property, plant and equipment with a net book value of HK$36,000 were written off during the six months ended 30 June 2015 (six months ended 30 June 2014: HK$nil). Apart from this, the Group did not have any significant disposal of property, plant and equipment.

13. PREPAID LEASE PAYMENTS

The Group's prepaid lease payments are amortised and charged to the profit or loss in the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the lease term.

	30.6.2015 HK$'000 (unaudited)	31.12.2014 HK$'000 (audited)
Cost		
Balance at beginning of the period/year	**35,938**	113,300
Addition	**–**	23,955
Derecognised on disposal of subsidiaries	**–**	(7,474)
Reclassification as held for sale	**–**	(93,483)
Exchange realignment	**152**	(360)
Balance at end of the period/year	**36,090**	35,938
Accumulated amortisation		
Balance at beginning of the period/year	**7,187**	13,928
Amortisation for the period/year	**400**	2,272
Elimination on disposal of a subsidiary	**–**	(691)
Elimination on reclassification as held for sale	**–**	(8,277)
Exchange realignment	**31**	(45)
Balance at end of the period/year	**7,618**	7,187
Carrying amount		
Balance at end of the period/year	**28,472**	28,751
Analysed for reporting purposes as:		
Current assets	**802**	799
Non-current assets	**27,670**	27,952
	28,472	28,751

14. GOODWILL

	30.6.2015 HK$'000 (unaudited)
Cost	
Balance at beginning of the period	–
Acquisition of subsidiaries (note 25)	**194,616**
Balance at end of the period	**194,616**
Accumulated impairment losses	
Balance at beginning of the period	–
Impairment loss for the period	–
Balance at end of the period	–
Carrying amount	
Balance at end of the period	**194,616**

Goodwill arising in the period related to the acquisition of Oriental Credit Holdings Limited and its subsidiaries because the consideration payable for the acquisition effectively included amounts in relation to the benefits originated from fast growing pawn loan financing business, the business potential of the consulting business and the assembled workforce of the acquired business. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. None of the goodwill recognised is expected to be deductible for income tax purposes.

Goodwill acquired through business combination during the period has been allocated to a pawn loan financing cash-generating unit ("Pawn Loan Financing CGU") for impairment test. The directors have engaged an independent valuer, Peak Vision Appraisal Limited ("PVA") to assist them to assess whether there is any impairment of goodwill in the Pawn Loan Financing CGU. PVA has assessed the acquired business value (recoverable value) as well as discounted cash flows arising from the identifiable intangible assets (if any) and has also taken into consideration the historical performance and the five-years forecast financial projection of the acquired business by Income Approach and reviewed the reasonableness and appropriateness of the methodology and the key parameters and business assumptions adopted by the directors.

Key assumptions used for business value calculation as at 21 January 2015 and 30 June 2015 are as follows:

– Terminal growth rate 3%

– Pre-tax discount rate per annum 15.39% – 16.44%

During the period, the Group is of the opinion, with reference to a professional valuation performed by PVA as at 30 June 2015 on the similar basis with 21 January 2015 valuation, that the Pawn Loan Financing CGU was not impaired as compared with their recoverable amounts as at 30 June 2015 and fair value as at 21 January 2015.

15. REPOSSESSED ASSETS

	30.6.2015 HK$'000 (unaudited)	31.12.2014 HK$'000 (audited)
Pawn collaterals	**44**	–

16. PAWN LOANS RECEIVABLES

	30.6.2015 HK$'000 (unaudited)	31.12.2014 HK$'000 (audited)
Personal property backed pawn loans	**162,241**	–
Real estate backed pawn loans	**24,303**	–
Equity interest backed pawn loans	**60,917**	–
Vehicles backed pawn loans	**254**	–
	247,715	–
Less: impairment allowances	**(2,477)**	–
	245,238	–

Pawn loans receivables are arising from the Group's pawn loans business. The loan periods granted to customers are within six months. The pawn loans provided to customers bear fixed interest rates ranging from 2.00% to 4.66% per month for the six months ended 30 June 2015.

Pawn loans receivables are all denominated in Renminbi. The impairment allowance of pawn loans receivables are recognised based on the Group's best estimate of amounts that are potentially uncollectible.

As at 30 June 2015, renewed loans amounted to HK$176,011,000, comprising personal property backed pawn loans of HK$95,614,000 and equity interest backed pawn loans of HK$60,917,000. No renewed loans had substantially modified their original contractual terms for the six months ended 30 June 2015. Based on past experience, the management is of the opinion that there has not been a significant change in credit quality of the customers or the party who provided guarantees and/or fair value of the collaterals obtained and the balances are still considered fully recoverable.

At 30 June 2015, the pawn loans receivables amounted to HK$96,705,000 have been pledged to secure other loans from the asset management companies.

The aging of the pawn loans receivables are calculated starting from the original granting date without considering the subsequent renewal of the loans. The aging analysis of pawn loans receivables net of provision for impairment of pawn loans receivables is set out below:

	30.6.2015 HK$'000 (unaudited)	31.12.2014 HK$'000 (audited)
0 – 90 days	**78,400**	–
91 – 180 days	**84,280**	–
181 – 365 days	**80,925**	–
Over 365 days	**1,633**	–
	245,238	–

17. TRADE AND OTHER RECEIVABLES

Included in the trade and other receivables are trade receivables of approximately HK$1,294,000 (year ended 31 December 2014: approximately HK$1,203,000). The Group allows an average credit period of 30 days to its warehouse tenants.

The following is an analysis of trade receivables by age based on invoice date of the Group at the end of reporting period:

	30.6.2015 HK$'000 (unaudited)	31.12.2014 HK$'000 (audited)
0 – 30 days	**1,267**	1,203
31 – 60 days	**27**	–
61 – 90 days	**–**	–
Over 90 days	**–**	–
	1,294	1,203

18. PREPAYMENTS AND DEPOSITS

	30.6.2015 HK$'000 (unaudited)	31.12.2014 HK$'000 (audited)
Prepayments	**220**	228
Less: impairment loss recognised	**–**	–
	220	228
Rental and utilities deposits	**2,916**	444
Total prepayments and deposits	**3,136**	672

19. PLEDGED BANK DEPOSITS

The pledged bank deposits carried fixed interest rate of 3% (year ended 31 December 2014: 4.25%) per annum. It will be released upon the settlement of relevant short-term bank loan.

20. ASSETS CLASSIFIED AS HELD FOR SALE

	30.6.2015 HK$'000 (unaudited)	31.12.2014 HK$'000 (audited)
Property, plant and equipment (Note a)	**1,133**	1,128
Prepaid lease payments (Note a)	**6,935**	6,905
Assets related to industrial properties development business (Note b)	**–**	122,873
	8,068	130,906
Receipt in advance (Note a)	**10,153**	10,110
Liabilities related to industrial properties development business (Note b)	**–**	99,025
	10,153	109,135

Notes:

(a) On 29 October 2014, the Group entered into a property sale and purchase agreement with an independent third party to dispose of the office building together with the land portion situated at Unit 508, Level 5, Block 2, Phase 1, Jinguanyuan, No. 16 Xinhua Lane, Xicheng District, Beijing, the PRC. As at 30 June 2015, the disposal has not yet completed. The assets and liability attributable to the office building have been reclassified as held for sale and presented separately in the consolidated statement of financial position.

(b) On 14 January 2015, (i) Profit Capital Limited, a wholly-owned subsidiary of the Company, as vendor, Ping An Real Estate (Hongkong) Company Limited ("Purchaser A") as purchaser and the Company, entered into a sale and purchase agreement in relation to the disposal of the 100% share capital of Keycharm Investment Limited ("Keycharm"), an indirectly wholly-owned subsidiary of the Company (the "Keycharm Agreement"); and (ii) the Company as vendor, Spring Asia Investment Limited ("Purchaser B") as purchaser and Purchaser A entered into a sale and purchase agreement in relation to the disposal of the 100% share capital of Toobright Limited ("Toobright"), a wholly-owned subsidiary of the Company (the "Toobright Agreement").

Keycharm and Toobright and its subsidiary were engaged in construction of port infrastructure, development of petrochemical industry projects, production of petrochemical products and sale of such products in the PRC. On 25 February 2015, the disposal was completed, Keycharm and Toobright and its subsidiary ceased to be subsidiaries of the Company (see note 26).

21. OTHER PAYABLES AND ACCRUALS

	30.6.2015 HK$'000 (unaudited)	31.12.2014 HK$'000 (audited)
Accrued expenses	**1,442**	2,320
Deposits received	**7,944**	11,183
Other payables	**7,921**	5,523
	17,307	19,026

22. BORROWINGS

	30.6.2015 HK$'000 (unaudited)	31.12.2014 HK$'000 (audited)
Bank loans (Note a)	**182,116**	72,034
Other loans (Note b)	**96,579**	–
	278,695	72,034
Secured	**278,695**	72,034
Unsecured	**–**	–
	278,695	72,034
Carrying amount repayable:		
Within one year	**189,858**	30,330
More than one year, but not exceeding two years	**15,864**	15,165
More than two years, but not more than five years	**60,282**	26,539
More than five years	**12,691**	–
	278,695	72,034
Less: Amounts shown under current liabilities	**(189,858)**	(30,330)
	88,837	41,704

Notes:

(a) During the six months ended 30 June 2015, the Group repaid bank loans of approximately HK$160,795,000 (equivalent to RMB127,000,000) and raised bank borrowings of approximately HK$269,985,000 (equivalent to RMB213,500,000). The bank loans are denominated in Renminbi and secured by pledge of warehouse with an aggregate carrying amount of approximately HK$129,757,000, prepaid lease payments with aggregate carrying amount of approximately HK$28,472,000 and bank deposits amounting to approximately HK$38,073,000. The loans carried an effective interest at fixed rates ranging from 5.10% to 7.91% per annum.

Included in the bank loans, the Group also had an outstanding entrusted loan which was borrowed through a bank in the PRC. The loan was secured by guarantee provided by 上海快鹿投資(集團)有限公司 ("Shanghai Kuailu"), a registered shareholder of Shanghai Xinsheng Pawnshop, to a bank for making the loan to Shanghai Xinsheng Pawnshop. As at 30 June 2015, the outstanding principal of the entrusted loan was approximately HK$44,419,000 and the effective interest rate of the entrusted loan was 5.6% per annum.

(b) The other loans obtained from an independent asset management company located in Shanghai have fixed repayment terms ranging from one to six months. As at 30 June 2015, the other loans are secured by the pawn loans receivables held as collaterals with the carrying amount of HK$96,705,000. The loans carried an interest at fixed rates of 14% per annum.

23. CONVERTIBLE NOTES

As part of the consideration for the acquisition of Oriental Credit Group as disclosed in note 25, 2014 Convertible Note with principal amount of HK$85,401,768 with conversion price of HK$1.2 per share was issued to the vendors of the Oriental Credit Group on 3 June 2015. It entitled the holders to convert it into ordinary shares of the Company at any time between the date upon the expiry of the Put Option Period and 21st business day before maturity date, which is on the fifth anniversary of the date of issue of 2014 Convertible Note. If the 2014 Convertible Note has not been converted, it will be redeemed on maturity date at the entire principal amount. The 2014 Convertible Note bears no interest.

The Convertible Note contains two components, liability and equity components. The equity component represents the value of the conversion option, which is credited directly to equity as convertible notes reserve of the Company and the Group. The liability component of the convertible notes is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The effective interest rate of the liability component is 9.98% per annum.

The carrying amounts of above-mentioned convertible notes recognised at the end of the reporting period were calculated as follows:

	30.6.2015 HK$'000 (unaudited)
Equity component	
Fair value of the entire convertible notes, at the date of issuance (Note a)	**151,817**
Fair value of the liability component, at the date of issuance	**(50,625)**
	101,192
Liability component	
At the date of issuance	**50,625**
Effective interest expenses	**412**
Balance at end of the period	**51,037**
Principal amount, at end of the period	**85,402**

Note:

(a) The fair value of the entire convertibles at the date of issuance included in 2014 Convertible Note of amount HK$129,250,000 and additional consideration of convertible notes for performance target adjustment of 2014 of amount HK$22,567,000.

24. SHARE CAPITAL

	Number of shares '000	Nominal amount HK$'000
Authorised:		
Ordinary shares of HK$0.005 each		
At 1 January 2014, 31 December 2014 and 30 June 2015	421,978,000	2,109,890
Preference shares of HK$0.005 each		
At 1 January 2014, 31 December 2014 and 30 June 2015	22,000	110
Issued and fully paid:		
Ordinary shares of HK$0.005 each		
At 1 January 2014, 31 December 2014 and 1 January 2015	299,847	1,499
Placing of shares (Note a)	59,600	298
At 30 June 2015	359,447	1,797

Note:

(a) On 9 January 2015, the Company entered into the placing agreement, pursuant to which 59,969,422 new shares of the Company would be placed to six independent placees at the placing price of HK$2 per share. The completion of the placing took place on 9 January 2015 and 59,600,000 shares were allotted and issued.

25. ACQUISITION OF SUBSIDIARIES

On 20 November 2014, the Company entered into a conditional sale and purchase agreement with Rosy Start Investments Limited ("Rosy Start"), Equity Partner Holdings Limited ("Equity Partner"), Century Best Holdings Limited ("Century Best") and Asiabiz Capital Investment Limited ("Asiabiz"), together, being the vendors (the "Vendors") collectively holding the entire equity interest in Oriental Credit Holdings Limited ("Oriental Credit"), for the acquisition of the entire issued share capital of Oriental Credit (the "Sale Shares"). Among the Vendors, Mr. Joseph Shie Jay Lang is the sole legal and beneficial owner of the entire issued share capital of Rosy Start, Equity Partner and Century Best.

Oriental Credit is the legal and beneficial owner of the entire registered capital of Shanghai Yousheng, which has entered into Contractual Arrangements with Shanghai Xinsheng Pawnshop, and its registered shareholders, i.e. Shanghai Zhifeng and Shanghai Kuailu in September, November and December 2014. Through these Contractual Arrangements, the Shanghai Yousheng has effective control over the financing and business operations of the Shanghai Xinsheng Pawnshop, and is entitled to the economic interest and benefits of the Shanghai Xinsheng Pawnshop which is engaged in pawnshop business in Shanghai, the PRC.

The Contractual Arrangements currently in effect comprise the following agreements, namely (a) the Exclusive Consulting Service Agreement (as supplemented by the supplemental agreement to the Exclusive Consulting Service Agreement and second supplemental agreement to Exclusive Consulting Service Agreement), (b) the Equity Pledge Agreement (as supplemented by the supplemental agreement to Equity Pledge Agreement), (c) the Exclusive Call Option Agreement (as supplemented by the supplemental agreement to Exclusive Call Option Agreement and second supplemental agreement to Exclusive Call Option Agreement), and (d) Authorization Agreement.

According to the conditional sale and purchase agreement, the Company has conditionally agreed to acquire the Sale Shares for a total consideration of HK$150,000,000 which may be raised to HK$180,000,000 subject to adjustment on the basis of performance targets achieved for years 2014, 2015 and 2016 according to the audited consolidated net profit after taxation of Oriental Credit and its subsidiaries for the respective accounting periods.

(a) Initial consideration

The consideration shall initially be HK$150,000,000 for the Sale Shares, subject to adjustments, in accordance with the sale and purchase agreement.

The consideration shall be satisfied by the Company by way of issue of the convertible notes in the following manner:

(i) at the 60th business day after the issue of the audited accounts of Oriental Credit for the financial year ending 31 December 2014 (the "2014 Convertible Note Issue Date"), a sum of HK$80,000,000 (subject to adjustment of 2014 Performance Target in note 24(b)(i)) will be paid by way of issue of the convertible notes (the "2014 Convertible Note") to the Vendors;

(ii) at the 60th business day after the issue of the audited accounts of Oriental Credit for the financial year ending 31 December 2015 (the "2015 Convertible Note Issue Date"), a sum of HK$35,000,000 (subject to adjustment of 2015 Performance Target in note 24(b)(ii)) will be paid by way of issue of the convertible notes (the "2015 Convertible Note") to the Vendors; and

(iii) at the 60th business day after the issue of the audited accounts of Oriental Credit for the financial year ending 31 December 2016 (the "2016 Convertible Note Issue Date"), a sum of HK$35,000,000 (subject to adjustment of 2016 Performance Target in note 24(b)(iii)) will be paid by way of issue of the convertible notes (the "2016 Convertible Note") to the Vendors.

The convertible notes shall be issued to each Vendor in accordance with the respective shareholding ratio.

The 2014 Convertible Note, 2015 Convertible Note and 2016 Convertible Note are convertible into ordinary shares of the Company at conversion price HK$1.2 per conversion share in the date upon the expiry of the Put Option Period and ending on the 21st business day before the maturity date (the "Conversion Period").

(b) Performance targets and consideration adjustments

The initial consideration (and accordingly the initial principal amount of convertible notes) is subject to adjustment of maximum of HK$30,000,000 on the basis of the following performance targets of Oriental Credit:

(i) the audited consolidated net profit after tax of Oriental Credit and its subsidiaries with Shanghai Xinsheng Pawnshop (the "Oriental Credit Group") for the financial year ending 31 December 2014 shall not be less than HK$15,000,000 (the "2014 Performance Target");

(ii) the audited consolidated net profit after tax of the Oriental Credit Group for the financial year ending 31 December 2015 shall not be less than HK$25,000,000 (the "2015 Performance Target"); and

(iii) the audited consolidated net profit after tax of the Oriental Credit Group for the financial year ending 31 December 2016 shall not be less than HK$40,000,000 (the "2016 Performance Target" and, together with the 2014 Performance Target and the 2015 Performance Target, the "Performance Targets").

(c) Put option

Upon the sole and absolute discretion of the Board, the Company shall be entitled to require each Vendor, severally but not jointly, to repurchase all Sale Shares held by it (the "Put Option") within the period from 21 January 2015 (the "Completion Date") to the 30th Business Day after the 2015 Convertible Note Issue Date or such other period as the Board may otherwise determine in writing (the "Put Option Period") subject to the requirements of the Listing Rules.

If the Put Option is not exercised during the Put Option Period, the Put Option shall lapse and cease to have any effect.

The amount payable by the Vendors for the repurchase of the Sale Shares upon the Company exercising the Put Option shall be equivalent to the Consideration (the "Put Price"). The Put Price shall be set off against the amounts of the Consideration and the 2014 Convertible Note and 2015 Convertible Note (if issued) shall be cancelled.

On 21 January 2015, the acquisition was completed and the fair values of consideration transferrable are as follows:

	HK$'000 (unaudited)
Initial consideration	
– 2014 Convertible Note	129,250
– 2015 Convertible Note	64,020
– 2016 Convertible Note	63,900
	257,170
Additional convertible notes issued in accordance with adjustment for 2014 Performance Target	22,567
Total consideration	279,737

The Directors have engaged an independent valuer, PVA, to determine the fair value of initial consideration in accordance with HKFRS 13 *Fair Value Measurement* issued by the HKICPA. Fair value is defined in HKFRS 13 as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date". PVA has reviewed the methodologies and the key valuation parameters and business assumptions adopted.

The fair value of the deferred convertible notes included in the initial consideration is valued by Black-Scholes Model. Key valuation parameters include discount rates, volatility and spot share price and conversion price.

Per HKFRS 3, *Business Combinations*, an acquirer shall retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date. During the measurement period, the acquirer shall also recognise additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period ends as soon as the acquirer receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable. However, the measurement period shall not exceed one year from the acquisition date. According to the audited financial statements of the Oriental Credit Group for the year ended 31 December 2014 issued by another auditor on 5 March 2015, the 2014 Net Profit was HK$19,944,001. Based on the adjustment formula, the adjusted principal amount of the 2014 Convertible Note HK$85,401,768 (HK$80,000,000 for 2014 Convertible Note and HK$5,401,768 for additional convertible notes issued in accordance with 2014 Performance Target) was issued on 3 June 2015. The 2014 Convertible Note is convertible into ordinary shares of the Company at conversion price HK$1.2 per conversion share in the Conversion Period.

At 30 June 2015, the deferred consideration HK$127,920,000 includes 2015 Convertible Note HK$64,020,000 and 2016 Convertible Note HK$63,900,000.

The principal amount for additional convertible notes will be issued in accordance with 2015 Performance Target and 2016 Performance Target. Details are set out in note 27.

On 21 January 2015, fair value of the net identified assets acquired and liabilities assumed of Oriental Credit Group are as follows:

	HK$'000 (unaudited)
Non-current asset	
Property, plant and equipment	1,005
Current assets	
Repossessed assets	44
Pawn loans receivables	213,519
Prepayments, deposits and other receivables	1,690
Bank balances and cash	19,674
Current liabilities	
Other loans	(94,606)
Other payables	(11,996)
Bank loan	(44,209)
	85,121
Net identified assets acquired and liabilities assumed, at fair value	85,121
Goodwill arising from the acquisition	194,616
Total fair value consideration	279,737
Net cash inflow arising on acquisition:	
Cash and cash equivalent acquired	19,674

The directors have engaged an independent valuer, PVA, to determine the fair value of the net tangible assets and intangible assets (if any) of Oriental Credit Group, in accordance with HKFRS 13. No identifiable intangible assets are identified.

Goodwill arising from the Acquisition represents the excess of the fair value of the considerations to be payable by the Group over the fair value of net tangible assets of Oriental Credit Group.

26. DISPOSAL OF SUBSIDIARIES

On 25 February 2015, the Group disposed its 100% equity interests in Keycharm and Toobright and its subsidiary which are engaged in construction of port infrastructure, development of petrochemical industry projects, production of petrochemical products and sale of such products in Taicang City, Jiangsu Province, the PRC, to an independent third party at total aggregate consideration of HK$221,821,000 (equivalent to RMB178,228,000), which comprises the initial consideration of HK$169,966,00 (equivalent to RMB137,000,000) and additional consideration of HK$51,855,000 (equivalent to RMB41,228,000). Further details of the Disposal are set out in the circular of the Company dated 26 January 2015.

Analysis of assets and liabilities as at the date of disposal are as follows:

	HK$'000 (unaudited)
Construction in process	1,639
Prepaid lease payments	78,114
Other receivables	3,112
Cash and cash equivalents	38,084
Amounts due from the Group assigned to the buyer	60,540
Bank loans	(46,646)
Other payables and accruals	(305)
Net assets disposal of	134,538

Gain on disposal of subsidiaries:

	HK$'000 (unaudited)
Cash consideration received	221,821
Net assets disposal of	(134,538)
Cumulative exchange gain in respect of the net assets of subsidiaries	39,980
Gain on disposal	127,263

Net cash inflow on disposal of subsidiaries:

	HK$'000 (unaudited)
Cash consideration received	221,821
Less: cash and cash equivalent balances disposed of	(38,084)
	183,737

27. CONTINGENT ASSETS AND LIABILITIES

The Group has contingent asset of Put Option in relation to acquisition of Oriental Credit Group. The Put Option are not recognised in the consolidated financial statements since the management considers the probability of exercise of the Put Option is remote.

In connection with the acquisition of Oriental Credit Group on 21 January 2015, the Group may be subject to contingent liabilities including settlement of additional consideration by issuance of convertible notes arising after 21 January 2015 on the basis of 2015 Performance Target and 2016 Performance Target. The maximum principal amount of contingent convertible notes issuable subject to 2015 Performance Target and 2016 Performance Target is approximately HK$24,598,000.

28. RELATED PARTY DISCLOSURES

During the interim period, the Group had certain transactions with related parties. Details of these transaction for the six months period ended 30 June 2015 and balance at 30 June 2015 with these related parties are as follows:

Transaction with a related party

	30.6.2015 HK$'000 (unaudited)	30.06.2014 HK$'000 (unaudited)
Interest expenses (Note a)	**893**	–

During the six months ended 30 June 2015, the Group effected the following material non-recurring transactions:

(i) On 21 January 2015, the Company has acquired the entire issued share capital of Oriental Credit Company Limited and its subsidiaries from Rosy Start, Equity Partner and Century Best and Asiabiz. On 3 June 2015, the Company issued the 2014 Convertible Note in the principal amount of HK$85,401,768 with conversion price of HK$1.2 according to their respective shareholdings ratio.

Balance with a related party

	30.6.2015 HK$'000 (unaudited)	31.12.2014 HK$'000 (audited)
Bank loans (Note a)	**44,419**	–

Note:

(a) Included in the bank loans, there is an amount of RMB35,000,000 (approximately HK$44,419,000) entrusted by Shanghai Kuailu, a registered shareholder of Shanghai Xinsheng Pawnshop, to a bank for making the loan to Shanghai Xinsheng Pawnshop. Each of Shanghai Kuailu and Shanghai Zhifeng executes a declaration of trust in a form and substance acceptable by the Company to hold the registered capital in Shanghai Xinsheng Pawnshop in trust for Shanghai Yousheng upon the Completion Date. Shanghai Yousheng beneficially owns the entire equity interest of Shanghai Xinsheng Pawnshop according to the declaration of trust.

Compensation of key management personnel

The remuneration of directors and other members of key management during the period is approximately HK$3,597,000 (six months ended 30 June 2014: approximately HK$1,956,000).

29. EVENTS AFTER THE REPORTING PERIOD

(i) Pursuant to the sale and purchase agreement, first supplemental agreement and second supplemental agreement dated 15 April 2015, 10 June 2015 and 25 June 2015 respectively, the Company had conditionally agreed to acquire 45% issued shares of Intraday Financial Information Service Limited ("Intraday Financial Information") at HK$272.84 million by way of issue and allotment of 71,800,000 ordinary shares at issue price of HK$3.8 per consideration share to the vendor, Long Tu Limited ("Vendor L"). Details of the acquisition were disclosed in the announcement of the Company dated 26 June 2015.

On 8 July 2015, the Company completed the acquisition of Intraday Financial Information. The Company allotted and issued 71,800,000 consideration shares, credited as fully paid, at the issue price of HK$3.8 per consideration share to Vendor L to satisfy the consideration for such acquisition.

(ii) On 29 July 2015, Champion Well Limited ("Champion Well"), an indirect wholly-owned subsidiary of the Company, contributed RMB52,500,000 (approximately HK$65,625,000) into the capital of Shanghai Rongyu Financial Leasing Company Limited (the "JV Company") in respect of the amendment deed entered with 上海尤龍實業有限公司 ("Shanghai Youlong"). Champion Well shall make the capital contribution in respect of its 25% equity interest in the JV Company in the amount of RMB52,500,000 within one year from the date of the issuance of the new business license of the JV Company by the relevant PRC government authority. Following the capital contribution, each of Champion Well and Shanghai Youlong have 25% and 75% equity interests in the JV Company.

(iii) Pursuant to the sale and purchase agreement dated 31 July 2015, an independent third party has conditionally agreed to sell and Oriental Credit Group (the "Purchaser") has conditionally agreed to acquire the entire issued share capital of Humble Faith Management Limited (the "Target Company") for a cash consideration of Hong Kong Dollars equivalents of RMB51,000,000. Through its subsidiaries, the Target Company shall set up an indirect wholly-owned subsidiary ("WFOE") and the Target Company will become the legal and beneficial owner of the entire equity interests of the WFOE, which in turn will enter into a series of Variable Interest Entity Contracts ("VIE Contracts") with 上海中源典當有限公司 ("Shanghai Zhongyuan") and Shanghai Zhongyuan's registered shareholders, as the case may be. Through the VIE Contracts, the WFOE has effective control over the financing and business operations of Shanghai Zhongyuan, and is entitled to the economic interest and benefits of Shanghai Zhongyuan. Shanghai Zhongyuan is primarily engaged in pawnshop business in Shanghai, the PRC.

The completion is conditional upon the satisfaction of above and certain conditions precedent as disclosed in announcement dated in July 2015.

30. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for equity holders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to equity holders, return capital to equity holders, issue new shares or sell assets to reduce debt.

During the period ended 30 June 2015, the Group's strategy remained unchanged. The Group monitors capital on the basis of the gearing ratio. The ratio is calculated as total borrowings divided by equity attributable to owners of the Company.

The management considers the gearing ratio at the period/year end date is as follows:

	30.6.2015 **HK$'000**	31.12.2014 HK$'000
Total borrowings	**278,695**	72,034
Less: Cash and cash equivalents	**(241,524)**	(12,753)
	37,171	59,281
Equity attributable to owners of the Company	**403,603**	109,465
Gearing ratio	**9%**	54%

31. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Group's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Group's financial performance.

The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits. The Group regularly reviews its risk management policies and procedures to reflect changes in markets and products.

The Group's major financial instruments include pawn loans receivables, trade and other receivables, pledged bank deposits, bank balances and cash, other payables and accruals, borrowings and convertible notes. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

As at 30 June 2015, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the management of the Group has a credit policy in place for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts on an ongoing basis. In addition, the Group reviews the recoverable amount of each individual pawn loans receivables and trade and other receivables at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group employs a range of policies and practices to mitigate credit risk. For pawnshop operation, the most traditional of these is the taking of specific classes of collateral from customers. The principal collateral types for pawn loans to customers are:

- Real estate, including residential and commercial properties;
- Vehicles, including vehicles with Shanghai vehicle licence;
- Equity instruments, mainly equity interest in unlisted companies which typically are related to the borrowers; and
- Personal properties, including but not limited to jewelleries, watches, artworks and antiques etc.

The Group also focuses on ascertaining legal ownership and the valuation of the real estate and vehicles collaterals. The Group monitors the value of the real estate and vehicles collaterals throughout the loan period.

For equity interest, the Group conducts due diligence on the client company in respect of its operations, finance and management and require credit guarantees provided by financing guarantee companies as collaterals in addition to the relevant equity interest.

The Group has its internal valuer to conduct collateral appraisal and if necessary, engages independent appraisers for appraisal of special and valuable collateral like jewelleries, watches, artworks and antiques etc.

Type of collaterals:	Loan granted % of the estimated value of the collaterals
Real estate	30%-40%
Vehicles	30%-40%
Equity interest	100% with guarantee
Personal properties	30%-40%

The Group maintains a comprehensive client base. Pawn loans receivables from the top five customers accounted for 24.59% of the total pawn loans to customers as at 30 June 2015 (2014: nil). Interest income from the top five customers accounted for 17.77% of total interest income for the six months ended 30 June 2015 (for the six months ended 30 June 2014: nil).

The credit risk on bank balances is limited because the counterparties are reputable banks located in Hong Kong and the PRC.

Market risk

(i) Currency risk

The Group is not exposed to significant currency risk as most of its monetary assets and monetary liabilities are denominated in the functional currency of the individual group entity. The management is of the opinion that the Group's exposure to foreign currency risk is minimal. Accordingly, no foreign exchange risk sensitivity analysis is presented. The significant balance carried in the translation reserve account is occasioned by the translation of the financial statements of the Group's subsidiaries into the presentation currency of the consolidated financial statements of the Group at each reporting date.

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate borrowings (i.e. bank loans and other loans). The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances. The Group currently does not use any derivative contracts to hedge its exposure to fair value interest rate risk. However, the management will consider hedging significant interest rate exposure should the need arise.

The most significant interest-bearing assets and liabilities are pawn loans to customers and borrowings, which both bear fixed interest rates to generate cash flows independent from market interest rates. Contractual interest rate re-pricing is matched with maturity date of each loan granted to customer, or maturity date of bank borrowings. As at respective balance sheet dates, maturity dates of pawn loans to customers are all within six months, whilst maturity dates of borrowings are all within six years. The Group regularly calculates the impact on profit or loss of a possible interest rate shift on its portfolio of pawn loans to customers, bank borrowings and interest bearing bank deposits and related party balances.

Sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for both derivatives and non-derivative financial instruments at the end of the reporting period. The analysis is prepared assuming that the financial instruments outstanding at the end of the reporting period were outstanding for the whole period. A 100 basis points (2014: 100 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. If interest rates had been 100 basis points (2014: 100 basis points) higher/lower and all other variables were held constant, the net effect of Group's post-tax profit for the period ended 30 June 2015 would increase/decrease by HK$9,000 (for the six months period ended 30 June 2014: decrease/increase by HK$1,151,000). This is mainly attributable to the Group's exposure to interest rates on its fixed-rate bank loans.

Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its obligations when they fall due as a result of cash requirements from contractual commitments. Such outflows would deplete available cash resources for customer lending. In extreme circumstances, lack of liquidity could result in reductions in the balance sheet and sales of assets.

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents and credit facilities deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of borrowings.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

Liquidity table

	Weighted average effective interest rate	Less than 1 month HK$'000	1-3 months HK$'000	3 months to 1 year HK$'000	More than 1 year HK$'000	Total undiscounted cash flows HK$'000	Carrying amount at 30.6.2015 HK$'000
2015							
Non-derivative financial liabilities							
Other payables and accruals	–	8,777	–	–	–	8,777	8,777
Borrowings – fixed rate	9.29%	66,152	74,764	62,921	124,976	328,813	278,695
		74,929	74,764	62,921	124,976	337,590	287,472

	Weighted average effective interest rate	Less than 1 month HK$'000	1-3 months HK$'000	3 months to 1 year HK$'000	More than 1 year HK$'000	Total undiscounted cash flows HK$'000	Carrying amount at 31.12.2014 HK$'000
2014							
Non-derivative financial liabilities							
Other payables and accruals	–	7,260	–	–	–	7,260	7,260
Borrowings – fixed rate	7.02%	19,256	–	12,174	42,971	74,401	72,034
		26,516	–	12,174	42,971	81,661	79,294

32. FAIR VALUE MEASUREMENT

Fair values of financial assets and liabilities carried at other than fair value

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities carried at amortised cost are not material different from their fair values as at 30 June 2015 and 31 December 2014.

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2015 (six months ended 30 June 2014: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business review and development

The Group is principally engaged in (i) the industrial property development; (ii) general trading including trading of metal materials; and (iii) the pawnshop business in Shanghai, the People's Republic of China (the "PRC").

Turnover and segment results of the Group during the indicated periods are stated in the table below:

	Six months ended 30 June	
	2015	2014
	HK$'000	HK$'000
Revenue from:		
pawn loan financing	**44,705**	–
industrial property development	**6,750**	6,342
general trading	**–**	–
	51,455	6,342
Segment profit (loss) from:		
pawn loan financing	**27,621**	–
industrial property development	**(10,875)**	(8,280)
general trading	**(77)**	(530)
	16,669	(8,810)

Following the completion of the acquisition of the pawnshop business in Shanghai, the PRC as mentioned in (i) under the heading "Significant Acquisitions and Disposals" in the section below in February 2015, the Group has officially entered into the pawnshop industry and this new business segment has contributed positively to the operating results of the Group as a whole in the period under review.

The industrial property development operation remained stable and the warehouse facilities of the Group continued to operate at 100% occupancy rate.

No revenue is generated from the general trading operation as the Group is yet to identify profitable transaction during the period under review.

A profit for the period amounted to HK$112,490,000 was noted under the current period as compared to a loss for the period ended 30 June 2014 amounted to HK$12,284,000. The profit for the period is mainly contributed by the gain on the disposal of subsidiaries as mentioned in (ii) under the heading "Significant Acquisitions and Disposals" in the section below amounted to HK$127,263,000 and the operating profit from the pawnshop business operation which is consolidated to the Group for the first time.

Financial Review

Administrative and Other operating Expenses

Administrative and other operating expenses mainly consists of the operating expenses of each of the pawnshop business, industrial property development and the general trading as well as the overall administrative expenses including but not limited to the office utilities and administration, legal and professional fee, operating lease payments, employee benefit expenses, depreciation and amortization, etc. Administrative and other operating expenses amounted to HK$45,309,000 during the period under review, which is increased significantly from HK$12,924,000 from the same period in 2014. The increase is mainly contributed by the inclusion of the pawnshop business during the current period and the increase in legal and professional fee paid in relation to the various acquisitions and disposals took place in the Group during the period.

Finance Costs

During the period under review, finance cost of approximately HK$10,430,000 representing the effective interest expenses on the bank and other borrowings. The increase from HK$6,840,000 of the finance cost as compared to the same period in 2014 is due mainly due to the inclusion of the pawnshop business in the current period.

Liquidity and Financial Resources

As at 30 June 2015, the shareholders' fund and net current assets of the Group amounted to approximately HK$403,063,000 (31 December 2014: HK$109,465,000) and HK$317,522,000 (31 December 2014 of net current liabilities: HK$10,558,000) respectively. On the same date, the Group's bank balances and cash amounted to HK$241,524,000 (31 December 2014: HK$12,753,000) and the current ratio was 2.44 (31 December 2014: 0.93).

As at 30 June 2015, the Group's total borrowings amounted to approximately HK$278,695,000 (31 December 2014: HK$72,034,000). On the same date, the net gearing ratio, measured on the basis of total borrowings less bank balances and cash over net assets, was 9% (31 December 2014: 54%).

Contingent liabilities

Details of the contingent liabilities of the Group were set out in note 27 to the condensed consolidated financial statement.

Capital Structure

Details of the change in share capital of the Group were set out in note 24 to the condensed consolidated financial statement.

Charges on assets

As at 30 June 2015, prepaid lease payments, warehouse and bank deposits with the aggregate carrying amounts of HK$28,472,000 (31 December 2014: HK$107,052,000), HK$129,757,000 (31 December 2014: HK$133,469,000) and HK$38,073,000 (31 December 2014: HK$37,912,000) respectively were pledged against bank loans granted to the Group.

As at 30 June 2015, pawn loans receivables with carrying amounts of HK$96,705,000 (31 December 2014: nil) was pledged against other loans from asset management companies granted to the Group.

Employees and Remuneration Policies

As at 30 June 2015, the Group has approximately 60 employees. Remuneration is determined by reference to their respective qualifications and experiences and according to the prevailing industry practice. Besides salary payments, other staff benefits include contribution of mandatory provident fund, a discretionary bonus program and a share option scheme.

Significant Acquisitions and Disposals

The Group had a significant change in the first half of 2015. A number of business transactions took place during the period under review including:

(i) the completion of the acquisition of the entire interest of a group of companies which principally engaged in the pawnshop business in Shanghai, the PRC via the Variable Interest Entity ("VIE") contract arrangement at a consideration of HK$150,000,000 by way of issue of the convertible notes in February 2015. Details of the acquisition and its completion are disclosed in the circular of the Company dated 24 December 2014 and an announcement of the Company dated 21 January 2015 respectively;

(ii) the disposal of the entire equity interests of two subsidiaries which together own a parcel of land with total site area of approximately 200,000 square meters in Taicang City, Jiangsu Province, The PRC at an aggregation amount of Rmb137,000,000 (approximately HK$171,250,000). Details of the disposal and its completion are disclosed in the circular of the Company dated 26 January 2015 and an announcement of the Company dated 25 February 2015 respectively;

(iii) the acquisition of 25% equity interest in a sino-foreign equity joint venture company (the "JV Company") in Shanghai, the PRC which will engage in the financial leasing business at a consideration of Rmb100,000 (approximately HK$125,000) and the Group shall make a capital contribution in respect of its 25% equity interest in the JV Company in the amount of Rmb52,500,000 (approximately HK$65,625,000). Details of the acquisition is disclosed in the announcement of the Company dated 3 March 2015; and

(iv) the acquisition of 45% equity interest in a company which is principally engaged in the operation of an internet finance platform in the PRC called "當天金融在線" (www.dtd365.com) via the VIE contract arrangement at a consideration of HK$286,000,000 by way of issue and allotment of 71,800,000 shares of the Company at completion. Details of the acquisition is disclosed in the announcements of the Company dated 15 April 2015, 25 June 2015 and 8 July 2015 respectively. The completion of the acquisition took place in July 2015.

RISK MANAGEMENT

Credit Risk

In order to minimise the credit risk, the management of the Group has a credit policy in place for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts on an ongoing basis. In addition, the Group reviews the recoverable amount of each individual pawn loans receivables and trade and other receivables at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

Market Risk

(i) *Currency risk*

The Group is not exposed to significant currency risk as most of its monetary assets and monetary liabilities are denominated in the functional currency of the individual group entity. The management is of the opinion that the Group's exposure to foreign currency risk is minimal. Accordingly, no foreign exchange risk sensitivity analysis is presented. The significant balance carried in the translation reserve account is occasioned by the translation of the financial statements of the Group's subsidiaries into the presentation currency of the consolidated financial statements of the Group at each reporting date.

(ii) *Interest rate risk*

The Group is exposed to fair value interest rate risk in relation to fixed-rate borrowings (i.e. bank loans and other loans) as at 30 June 2015 and 31 December 2014. The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances as at 30 June 2015 and 31 December 2014. The Group currently does not use any derivative contracts to hedge its exposure to fair value interest rate risk. However, the management will consider hedging significant interest rate exposure should the need arise.

The most significant interest-bearing assets and liabilities are loans to customers and borrowings, which both bear fixed interest rates to generate cash flows independent from market interest rates. Contractual interest rate re-pricing is matched with maturity date of each loan granted to customer, or maturity date of bank borrowings. As at respective balance sheet dates, maturity dates of pawn loans to customers are all within six months, whilst maturity dates of borrowings are all within 6 years. The Group regularly calculates the impact on profit or loss of a possible interest rate shift on its portfolio of loans to customers, bank borrowings and interest bearing bank deposits and related party balances.

Sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for both derivatives and non-derivative financial instruments at the end of the reporting period. The analysis is prepared assuming that the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 100 basis points (2014: 100 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. If interest rates had been 100 basis points (2014: 100 basis points) higher/lower and all other variables were held constant, the net effect of Group's post-tax profit for the period ended 30 June 2015 would increase/decrease by HK$9,000 (30 June 2014: decrease/increase by HK$1,151,000). This is mainly attributable to the Group's exposure to interest rates on its fixed-rate bank loans.

Liquidity Risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents and credit facilities deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of borrowings.

PROSPECTS

The year of 2015 marked a new era for the business development of the Group as a whole. In the first half of 2015, the Group has officially entered into the pawnshop business in Shanghai, the PRC.

As indicated in the National Information System for the Supervision and Execution of Pawnshop Industry, there were 8,108 pawn shops and 953 branches across China by the end of June 2015, with an aggregate registered capital of RMB161.13 billion. In the first half of 2015, the Chinese pawn industry lent pawn money of an aggregate amount of RMB202.96 billion, representing a year-on-year increase of 3.5%; and the money at pawn was RMB93.19 billion, representing a year-on-year growth of 11.6%, helping millions of small and micro businesses address their financing difficulties.

From 2014 to the first half of 2015, the newly acquired pawnshop operating entity, gave financial support to nearly 200 small and medium-sized enterprises and individuals, including up to 56 new clients. The operating entity strives to further boarden the customer base and become a market leader in the pawnshop industry in Shanghai.

In July 2015, the Group has entered into another sale and purchase agreement pursuant to which the Group will acquire the entire interests of a group of companies which is principally engaged in the pawnshop business in Shanghai, the PRC for a cash consideration of Hong Kong Dollars equivalent of RMB51,000,000. Details of the acquisition are disclosed in the announcement of the Company dated 31 July 2015.

The management is optimistic towards the performance and the growth potential of this new business segment and will continue to identity suitable opportunity to further expand the pawn loan financing operation either through organic growth from the existing operation as well as acquiring similar operation in the market which is in line with the overall business plan.

To seize the opportunities of "pushing forward the financial reform centered on serving the real economy, and promoting the development of an inclusive financial system", the Group has also expanded its business scope to the industries of financial leasing and internet finance in the second half of 2015, and made efforts to integrate various resources and channels, reduce the operating cost and improve risk management.

In respect of the financial leasing market, the *Report on the Development of the Chinese Financial Leasing Industry in Q1 2015* indicates that, as of the end of June 2015, there were approximately 3,185 financial leasing firms in China, representing an increase of 983 as compared with 2,202 by the end of last year; the aggregate registered capital of the industry, as measured by the paid up capital in RMB, totaled approximately RMB1,003 billion, increasing by RMB341.9 billion from RMB661.1 billion by the end of last year; the national balance of financial leasing contracts was approximately RMB3,655 billion, representing an increase of 14.2% or RMB455 billion as compared with RMB3,200 billion by the end of last year. In 2015, economic growth of China has been under huge downward pressure, as many industrial indicators showed worse-than-expected performance despite an overall 7% economic growth for the first half of the year. Nevertheless, the financial leasing industry has bucked the trend, and maintained a sound and rapid development momentum. In the first half of 2015, the industry enjoyed substantial growth in the number of businesses, industry strength and aggregate turnover, thus playing a positive role in the steady growth of the general economy and serving as a great driver for economic development.

In respect of internet finance, the *Brief Report on the Operation of P2P Online Lending Industry in the First Half of 2015* suggests that the P2P industry continued its momentum of fast development during the first half of 2015, with an accumulated transaction amount of RMB300.619 billion, growing at an average monthly rate of 10.08%; nearly 900 new online lending platforms were launched during the period. At present, the number of P2P online lending platforms in normal operation has risen to 2,028 in China, representing an increase of 28.76% as compared with the figure by the end of 2014. Having experienced a period of wild growth, internet finance industry would follow two development trends, namely, "enhanced regulation" and "industry consolidation". Only quality products with an appeal to investors can demonstrate a platform's unique strength and help the platform stand out.

Both the acquisition of the 25% interest in the financial leasing operating entity in the PRC and the acquisition of the 45% interest in the operation of an internet finance platform in the PRC are completed in the second half of 2015 and is expected to contribute positively in financial performance of the Group as a whole.

DIRECTORS' INTEREST IN SHARES

As at 30 June 2015, the interests of the Directors and Chief Executive of the Company in the equity or debt securities and underlying shares of the Company or any associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")) which (a) 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 the interests and short positions which the Director is taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange were as follows:

Long positions

Name	Nature of interest	Number of shares held	Percentage to issued share capital
Ms. Ma Xiaoling ("Ms. Ma")	Corporate interests (Note)	120,212,256	33.44%

Note: Ms. Ma is the beneficial owner of the entire issued share capital of Keenlead Holdings Limited, which owned 120,212,256 shares in the Company as at 30 June 2015.

Save as disclosed above, as at 30 June 2015, none of the Directors nor Chief Executive of the Company had an interest or short position in the equity or debt securities and underlying shares of the Company or any associated corporations (within the meaning of the SFO) which (a) 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 the interests and short positions which the Director is taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange.

SHARE OPTIONS

Under the terms of the share option scheme adopted by the Company, the Board may, at their discretion, grant options to the employees of the Group, including Executive Directors of the Company, to subscribe for shares in the Company.

During the period under review, there is no outstanding share option and no share options were granted or exercised.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

So far as is known to the directors, as at 30 June 2015, the following shareholders had interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register kept by the Company pursuant to Section 336 of the SFO, who is directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company:

Name	Note(s)	**No. of shares held**	**Percentage to issued share capital**
Keenlead Holdings Limited	1	120,212,256	33.44%
Ms. Ma	1	120,212,256	33.44%

Notes:

1. The entire issued share capital of Keenlead Holdings Limited is wholly and beneficially owned by Ms. Ma.

Save as disclosed above, the Company has not been notified of any other shareholders who had any interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company as at 30 June 2015.

PURCHASE, SALE AND REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the period under review, there were no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries.

CORPORATE GOVERNANCE

The Group is committed to maintaining high level of corporate governance with a view to assuring the conduct of management of the Company as well as protecting the interests of its shareholders. The Company has always recognized the importance of the transparency and accountability towards the shareholders. It is the belief of the Board that shareholders can maximize their benefits from good corporate governance.

During the period, the Company has adopted the code provisions set out in the Code on Corporate Governance Practices ("Code on Corporate Governance") contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), except for the following deviations:

– Code A.2.1 stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual.

  Ms. Ma is the Chairman and Chief Executive Officer of the Company. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company. The balance of power and authority is ensured by the operations of the Board, which comprises experienced and high caliber individuals and meets regularly to discuss issues affecting operations of the Company. The Board believes that this structure is conductive to strong and consistent leadership, enabling the Group to make and implement decisions promptly and efficiently. The Board has full confidence in Ms. Ma and believes that her appointment to the posts of Chairman and Chief Executive Officer is beneficial to the business prospects of the Company.

– Code A.4.1 stipulates that Non-Executive Directors should be appoint for specific terms and subject to re-election.

  The Non-Executive Director and the independent Non-Executive Directors of the Company were not appointed for any specific terms, as they are subject to retirement by rotation at the Company's annual general meeting in accordance with the Company's Bye-laws.

– Code A.5 stipulates that a nomination committee should be established to make recommendations to the Board on the appointment and reappointment of directors.

  The Board as a whole is responsible for the appointment of its own members. The Board does not establish a nomination committee and is not considering to establish the same in view of the small size of the Board. The chairman of the Board is responsible for identifying appropriate candidate and proposing qualified candidate to the Board for consideration. The Board will review profiles of the candidate recommended by the chairman and make recommendation the appointment, re-election and retirement of the directors. Candidates are appointed to the Board on the basis of their skill, competence and experience that they can contribute to the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as the code of conduct regarding directors' securities transactions. The Company has made specific enquiry of all Directors whether the Directors have complied with the required standard set out in the Model Code regarding directors' securities transactions and all Directors confirmed that they have complied with the Model Code.

AUDIT COMMITTEE

The Company has established an audit committee in compliance with the Listing Rules to fulfill the functions of reviewing and monitoring the financial reporting and internal control of the Company. The unaudited interim financial statements of the Group for the six months ended 30 June 2015 have been reviewed by our auditors, HLM CPA Limited and the audit committee of the Company. The audit committee of the Company currently comprises three independent non-executive directors, including Mr. Jin Bingrong ("Mr. Jin"), Mr. Lin Ruei Min ("Mr. Lin") and Mr. Kwan Kei Chor ("Mr. Kwan").

REMUNERATION COMMITTEE

The Board has established a remuneration committee. The remuneration committee, currently comprising executive directors, Ms. Ma and Ms. Chan Siu Mun, and independent non-executive directors, Mr. Jin, Mr. Lin and Mr. Kwan, is responsible for advising the Board on the remuneration policy and framework of the Company's directors and senior management members, as well as review and determine the remuneration of all executive directors and senior management members with reference to the Company's objectives from time to time.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to thank our staff for their dedication, loyalty and integrity towards the Group. I would also like to express my gratitude to our shareholders, customers, bankers and other business partners for their trust and support to the Group.

By order of the board of
Greater China Holdings Limited
Ma Xiaoling
Chairperson

Hong Kong, 15 August 2015