



天順證券集團有限公司*
SKYWAY SECURITIES GROUP LIMITED

(formerly known as Mission Capital Holdings Limited)

(Incorporated in Bermuda with limited liability)
(Stock Code: 1141)

“Our Vision,
your Future”

2015
Interim Report

* For identification purpose only

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Abbreviations

In this interim report, the following abbreviations have the following meanings unless otherwise specified:

“Board”	board of Directors
“Company”	Skyway Securities Group Limited
“Directors”	directors of the Company
“Group”	Company and its subsidiaries
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	People’s Republic of China
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$” and “cents”	Hong Kong dollars and cents
“%”	per cent.

Corporate Information

BOARD OF DIRECTORS

Executive Directors

- Mr. Suen Yick Lun Philip
(Acting Chairman & Managing Director)
- Mr. Tam Tak Wah
(appointed on 20 July 2015)
- Mr. Ng Kwok Leung
(appointed on 20 July 2015)
- Mr. Kitchell Osman Bin
(resigned on 30 July 2015)
- Mr. Lau King Hang
(resigned on 21 July 2015)

Independent Non-executive Directors

- Dr. Leung Shiu Ki Albert
- Mr. Man Wai Chuen
- Mr. Chan Kwan Pak
(appointed on 30 July 2015)
- Mr. Siu Gee Tai
(appointed on 30 July 2015)
- Mr. Siu Siu Ling Robert
(appointed on 24 July 2015)
- Ms. Chen Wei
(resigned on 30 July 2015)
- Mr. Wong Yat Fai
(resigned on 30 July 2015)
- Mr. Wong Kwok Tai
(resigned on 30 July 2015)

AUDIT COMMITTEE

- Mr. Chan Kwan Pak (Chairman)
(appointed on 30 July 2015)
- Mr. Man Wai Chuen
- Mr. Siu Gee Tai
(appointed on 30 July 2015)
- Mr. Siu Siu Ling Robert
(appointed on 24 July 2015)
- Dr. Leung Shiu Ki Albert
(resigned as the Chairman of Audit Committee on 30 July 2015 and remain as a member of Audit Committee)
- Ms. Chen Wei
(resigned on 30 July 2015)
- Mr. Wong Kwok Tai
(resigned on 30 July 2015)

REMUNERATION COMMITTEE

- Mr. Siu Siu Ling Robert (Chairman)
(appointed on 24 July 2015 and redesignated as the Chairman on 30 July 2015)
- Mr. Suen Yick Lun Philip
- Dr. Leung Shiu Ki Albert
- Mr. Man Wai Chuen
- Mr. Chan Kwan Pak
(appointed on 30 July 2015)
- Mr. Siu Gee Tai
(appointed on 30 July 2015)
- Mr. Wong Yat Fai
(resigned on 30 July 2015)
- Mr. Wong Kwok Tai
(resigned on 30 July 2015)

NOMINATION COMMITTEE

- Mr. Siu Gee Tai (Chairman)
(appointed on 30 July 2015)
- Mr. Suen Yick Lun Philip
- Dr. Leung Shiu Ki Albert
- Mr. Siu Siu Ling Robert
(appointed on 24 July 2015)
- Mr. Chan Kwan Pak
(appointed on 30 July 2015)
- Ms. Chen Wei
(resigned on 30 July 2015)
- Mr. Wong Yat Fai
(resigned on 30 July 2015)
- Mr. Wong Kwok Tai
(resigned on 30 July 2015)

COMPANY SECRETARY

- Mr. Suen Yick Lun Philip

TRADING OF SHARES

The Stock Exchange of Hong Kong Limited
(Stock Code: 1141)

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 903, 9th Floor
Great Eagle Centre
23 Harbour Road
Wanchai
Hong Kong

PRINCIPAL BANKERS

Hang Seng Bank Limited
Bank of Communications Co., Ltd.
Hong Kong Branch
Bank of China (Hong Kong) Limited

LEGAL ADVISERS

Reed Smith Richards Butler
Howse Williams Bowers

AUDITOR

Messrs. Deloitte Touche Tohmatsu

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
26 Burnaby Street
Hamilton HM11
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

WEBSITE

www.ssgroup.hk

Management Discussion and Analysis

FINANCIAL RESULTS AND BUSINESS REVIEW

Revenue

The Group's revenue decreased by approximately 92.6% to approximately HK\$20.5 million compared to approximately HK\$278.7 million for the same period in 2014. It was mainly due to the decrease in volume of metal minerals traded by the supply and procurement division. The analysis of the Group's revenue by reportable segments is as below.

Investments

Securities Investment

During the period under review, the segment revenue, which included dividend income from investment in listed equity securities, and interest income from investment in convertible bonds and interest bearing notes of approximately HK\$3.2 million decreased by approximately 88.5% from approximately HK\$27.8 million as compared with the same period in last year.

During the period under review, the segment result decreased by 148.2% to a loss of approximately HK\$456.2 million in the current period turned from a profit of approximately HK\$945.9 million in the previous period, after a significant fair value gain being captured in the last financial year. The loss was mainly attributable to:

- (1) an unrealized loss on investments at fair value through profit or loss of approximately HK\$247.9 million, which turned from an unrealized gains of approximately HK\$958.7 million compared to the same period in last year;
- (2) a realized loss on investments at fair value through profit or loss of approximately HK\$211.6 million, the loss increased by approximately HK\$171.0 million, compared to the loss of approximately HK\$40.6 million on the same period in last year; and
- (3) dividend income from investment in listed equity securities of approximately HK\$2.6 million, the income decreased by approximately HK\$24.9 million, compared to the dividend income of HK\$27.5 million on the same period in last year.

At the period end, the Group's securities portfolio mainly constituted of listed equity securities in conglomerate company and semiconductors company. During the period under review, the stock market in Hong Kong was adversely affected by a number of factors of which were out of the control of the Company. Under such circumstances, the Company has decided to realize most of the Group's then existing securities investment in tandem with the unattractive market sentiment prevailing in the past few months.

FINANCIAL RESULTS AND BUSINESS REVIEW (continued)

Other Investment

On 2 July 2015, the Group completed the subscription of shares in a private company, an investment company, for a consideration of HK\$440 million. The private company is principally engaged in financial services related business including money lending. The Group intended to hold the investment in the private company for long-term purpose and such investment is classified as available-for-sale investment in the Group's financial statements.

Supply and Procurement

The Group's supply and procurement segment continued to focus on the sourcing, transporting and supplying of metal minerals and recyclable metal materials during the period under review. When compared with the same period in last year, the segment recorded a 100% decrease in revenue and profit. Significant declines in the segment's revenue and profit were principally attributed to the decreased volume of metal minerals transacted during the period under review, which was in turn mainly a result of the drop in demand for building materials from our customers following the slowdown of property sector in PRC.

Provision of Finance

The interest income and segment profit generated by the Group's financing segment increased by 11.3 times to approximately HK\$16.9 million (30 September 2014: approximately HK\$1.5 million) and 11.3 times to approximately HK\$16.9 million (30 September 2014: approximately HK\$1.5 million) respectively comparing to the prior period. It was mainly due to the comparatively larger average amount of loans lent to borrowers and the increase in number of borrowers. Most of the loans lent are short term. The loan portfolio held by the Group amounted to approximately HK\$1,070.0 million (31 March 2015: approximately HK\$120.0 million) at the period end.

Real Estate

The segment recorded rental income of approximately HK\$0.3 million (30 September 2014: nil) and segment profit of approximately HK\$5.3 million (30 September 2014: nil) during the period under review.

Gross Profit

The Group's gross profit during the period under review was approximately HK\$20.5 million, which decreased by approximately HK\$12.5 million, as compared to approximately HK\$33.0 million at the same period in last year. The decrease was mainly due to the substantial decrease in trade volume from the Group's supply and procurement business and dividend income received from the Group's securities investment during the period under review.

Results

For the period ended 30 September 2015, the Group recorded a loss attributable to owners of the Company of approximately HK\$443.3 million (30 September 2014: profit of approximately HK\$815.3 million) and basic loss per share of HK\$5.26 cents (30 September 2014 restated: basic earnings per share of HK\$18.48 cents). The turnaround of the Group's results was mainly due to the segment loss contributed by the securities investment segment of approximately HK\$456.2 million (30 September 2014: segment profit of approximately HK\$945.9 million).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group primarily financed its operations with internally generated cash flows, borrowing, and by its internal resources and shareholder's equity.

At 30 September 2015, the Group had current assets of approximately HK\$1,728.1 million (31 March 2015: approximately HK\$2,370.2 million) and liquid assets comprising cash and short-term securities investments totaling approximately HK\$644.0 million (31 March 2015: approximately HK\$2,220.7 million). The Group's current ratio, calculated based on current assets of approximately HK\$1,728.1 million (31 March 2015: approximately HK\$2,370.2 million) over current liabilities of approximately HK\$7.7 million (31 March 2015: approximately HK\$179.6 million), was at a strong ratio of approximately 224.4 at the period end (31 March 2015: approximately 13.2). The Group's accounts and bills receivable decreased to zero as at 30 September 2015 (31 March 2015: approximately HK\$12.0 million) which was primarily due to the decrease of trade volume of the Group's supply and procurement business.

The Group's finance costs for the current period represented the effective interest on notes payable of approximately HK\$4.1 million (30 September 2014: approximately HK\$4.1 million) and interest on borrowing of approximately HK\$1.8 million (30 September 2014: HK\$0.3 million). At 30 September 2015, the Company had notes payable in the aggregate principal amount of HK\$150 million (31 March 2015: HK\$150 million) and nil in short-term borrowing (31 March 2015: HK\$158.1 million).

At the period end, equity attributable to owners of the Company amounted to approximately HK\$2,229.8 million (31 March 2015: approximately HK\$2,328.7 million).

At 30 September 2015, the Group's indebtedness comprised long-term notes payable of approximately HK\$146.7 million (31 March 2015: indebtedness comprised short-term borrowing and long-term notes payable totaling approximately HK\$304.5 million). The notes payable was denominated in HK\$, due on the seventh anniversary from the respective issue dates of the notes, and borne interests at 5% fixed rate per annum. The borrowing at 31 March 2015 was denominated in HK\$, due within one year, and borne interests at floating rate. The Group's gearing ratio, calculated on the basis of total indebtedness divided by the sum of total indebtedness and equity attributable to the Company's owners, was at a low ratio of approximately 6.2% (31 March 2015: approximately 11.6%).

With the amount of liquid assets on hand, the management is of the view that the Group has sufficient financial resources to meet its ongoing operational requirements.

FOREIGN CURRENCY RISK MANAGEMENT

The majority of the Group's assets are held in HK\$ with no material foreign exchange exposure. During the period under review, the Directors are of the view that the Group's exposure to exchange rate risk is not material, and will continue to monitor it.

PLEDGE OF ASSETS

At 30 September 2015 and 31 March 2015, no bank deposits and bills receivable were pledged to banks.

At 30 September 2015, no revolving loan facility was granted to the Group (31 March 2015: a revolving loan facility from a private bank was granted to the Group which was secured by the Group's marketable securities portfolio of approximately HK\$717.4 million and a total amount of approximately HK\$158.1 million was utilized).

CONTINGENT LIABILITY

At 30 September 2015, the Group had no significant contingent liability (31 March 2015: nil).

CAPITAL COMMITMENT

At 30 September 2015, the Group was committed to acquire entire equity interests in Skyway Securities Investment Limited and Skyway Futures Limited at an aggregated consideration of HK\$1,200,000,000 (31 March 2015: nil).

HUMAN RESOURCES AND REMUNERATION POLICY

At 30 September 2015, the Group's had about 18 (30 September 2014: about 25) employees including Directors. For the review period, total staff costs, including Directors' remuneration, was approximately HK\$6.0 million (30 September 2014: approximately HK\$5.8 million). Remuneration packages for employees and Directors are structured by reference to market terms and individual competence, performance and experience. Benefits plans maintained by the Group include provident fund scheme, medical insurance, subsidised training programme, share option scheme and discretionary bonuses.

PROSPECTS

The Group is optimistic about the development of the financial services and provision of finance, regardless the expected change of interest rate in future, which may have financial impact on the economy. Looking ahead, the Group will continually enhance its principal business and will seek good business opportunities to enhance the value of the shareholders of the Company and the Company as a whole.

Other Information

CHANGE OF COMPANY NAME

Pursuant to a special resolution passed by the shareholders of the Company at the special general meeting of the Company held on 10 August 2015 (the “SGM”), the English name of the Company has been changed from “Mission Capital Holdings Limited” to “Skyway Securities Group Limited” which was approved by the Registrar of Companies in Bermuda on 21 August 2015, and the certificate of registration of alternation of name of registered non-Hong Kong company was issued by the Registrar of Companies in Hong Kong on 9 September 2015. The Chinese name of the Company, which was adopted for identification purpose only, has been changed from “保興資本控股有限公司” to “天順證券集團有限公司”.

ACQUISITION OF SUBSIDIARIES

As disclosed in the announcement of the Company dated 11 May 2015, and the circular of the Company dated 26 August 2015, the Company and the majority shareholders of Skyway Futures Limited and Skyway Securities Investment Limited (the “Target Companies”) (the “Vendors 1”) entered into a sale and purchase agreement on 7 May 2015, pursuant to which the Company conditionally agreed to purchase and the Vendors 1 conditionally agreed to sell 81% equity interests in each of the Target Companies, at a total consideration of HK\$972,000,000. The Target Companies are corporations licensed under the Securities and Futures Ordinance and their principal activities are provision of brokerage services, securities margin financing to clients, provision of futures and options contracts dealing services to clients. And further on 11 May 2015, the Company and the remaining shareholder of the Target Companies (the “Vendor 2”) entered into a sale and purchase agreement, pursuant to which the Company conditionally agreed to purchase and Vendor 2 conditionally agreed to sell the remaining equity interests of 19% in each of the Target Companies, at a consideration of HK\$228,000,000. The transactions were completed on 4 November 2015 by fulfilling all conditions set out in both sale and purchase agreements. The Target Companies have become the wholly-owned subsidiaries of the Company and the financial results of the Target Companies will be consolidated in the accounts of the Group. Details of completion of the major acquisition is set out in the Company’s announcement dated 4 November 2015. The completion of the acquisition can further extend the Group’s financial services business and its market presence.

PROVISION OF FINANCE

As disclosed in the announcement of the Company dated 19 November 2015, Skyway Credit Service Limited, an indirect wholly-owned subsidiary of the Company, (the “Lender”), entered into a loan agreement on 19 November 2015 with Eternal Vantage Investment Limited (the “Borrower”), pursuant to which the Lender has agreed to provide the loan facility of up to HK\$200 million to the Borrower, bearing interest at the rate of 1.8% per month for a period of two months. The source of the loan facility was funded by the term loan of HK\$200 million pursuant to the term loan agreement dated 19 November 2015 entered into between the Company as borrower and an independent third party as lender.

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30 September 2015 (six months ended 30 September 2014: by way of bonus warrants to shareholders of the Company on the basis of one warrant for every five shares held).

SHARE OPTION SCHEME

The existing share option scheme of the Company (the “Share Option Scheme”) was adopted by the Company at the annual general meeting of the Company held on 24 September 2012. Unless otherwise cancelled or amended, the Share Option Scheme will be valid and effective for a period of ten years commencing on the date of adoption. The purpose of the Share Option Scheme is to enable the Group to attract, retain and motivate talented participants to strive for future development and expansion of the Group. The Share Option Scheme shall provide incentive to encourage participants to perform their best in achieving the goals of the Group and allow the participants to enjoy the results of the Company attained through their efforts and contributions.

Pursuant to the ordinary resolution passed by the shareholders of the Company at the annual general meeting (the “AGM”), the total number of shares of the Company which may be issued upon exercise of all options to be granted under the Share Option Scheme, together with all options to be granted under any other share option scheme(s) of the Company (excluding lapsed options), was refreshed such that the Directors were authorised to grant options carrying rights to subscribe for up to a maximum number of 10% of the shares in issue as at the date of the AGM approving the refreshed scheme mandate limit.

SHARE OPTIONS

As at 30 September 2015, the number of shares in respect of which options under the Share Option Scheme had been granted and remained outstanding was 911,335,050 (31 March 2015: 427,835,050), representing 9.62% of the shares of the Company in issue as at 30 September 2015.

483,500,000 out of 911,335,050 share options were granted on 18 September 2015 pursuant to the scheme mandate limit under the Share Option Scheme refreshed at the annual general meeting of the Company held on 8 September 2015 (“2015 Scheme”).

427,835,050 out of 911,335,050 share options were granted on 2 March 2015 pursuant to the scheme mandate limit under the Share Option Scheme refreshed at the annual general meeting of the Company held on 30 September 2014 (“2014 Scheme”).

SHARE OPTIONS (continued)

The following table discloses movements in the Company's share options during the period:

Type of grantee	Date of grant	Exercisable period	Scheme	Exercise price per share option	Number of share options				Outstanding as at 30 September 2015
					Outstanding as at 1 April 2015	Granted during the period	Exercised during the period	Lapsed during the period	
Directors									
Mr. Tam Tak Wah ("Mr. Tam")	18 September 2015	18 September 2015 to 17 September 2018	2015 Scheme	HK\$0.249	-	15,000,000	-	-	15,000,000
Mr. Ng Kwok Leung ("Mr. Ng")	18 September 2015	18 September 2015 to 17 September 2018	2015 Scheme	HK\$0.249	-	6,000,000	-	-	6,000,000
					<u>-</u>	<u>21,000,000</u>	<u>-</u>	<u>-</u>	<u>21,000,000</u>
Agents/Consultants									
	2 March 2015	2 March 2015 to 1 March 2025	2014 Scheme	HK\$0.123	427,835,050	-	-	-	427,835,050
	18 September 2015	18 September 2015 to 17 September 2018	2015 Scheme	HK\$0.249	-	462,500,000	-	-	462,500,000
					<u>427,835,050</u>	<u>462,500,000</u>	<u>-</u>	<u>-</u>	<u>890,335,050</u>
					<u>427,835,050</u>	<u>483,500,000</u>	<u>-</u>	<u>-</u>	<u>911,335,050</u>

Notes:

- (a) The share options were immediately vested upon granted.
- (b) The exercise price of the share options was subject to adjustments in the case of capitalization of profits or reserve, rights or bonus issues, consolidation, subdivision or reduction of the share capital or other charges in the capital structure of the Company.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2015, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules, were as follows:

Long positions in the shares of the Company:

Name of director	Capacity and nature of interest	Exercisable period	Scheme	Number of shares held or deemed to be interested	Approximate percentage of the Company's issued share capital
Mr. Tam	Beneficial owner	18 September 2015 to 17 September 2018	2015 Scheme	15,000,000 (Note)	0.16%
Mr. Ng	Beneficial owner	18 September 2015 to 17 September 2018	2015 Scheme	6,000,000 (Note)	0.06%

Note: This represents the ordinary shares of the Company to be allotted and issued upon exercise of the share options granted to Mr. Tam and Mr. Ng under the share option scheme of the Company pursuant to the share option scheme adopted by the Company on 24 September 2012.

Save as disclosed above, as at 30 September 2015, none of the directors or chief executive of the Company had registered an interest or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the sections headed "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures" and the "Share Option Scheme" above, at no time during the six months ended 30 September 2015 was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the directors of the Company or their spouse or minor children had any rights to subscribe for the securities of the Company, or had exercised any such rights during the period.

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 30 September 2015, the following interests of more than 5% of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO:

Long positions in the shares and underlying shares of the Company:

Name of shareholders	Capacity and nature of interest	Number of shares held	Total interests	Approximate percentage of the Company's issued share capital
Lin Guoyan ("Mr. Lin")	Interest of controlled corporation	1,419,300,300 (Note 1)	1,419,300,300	14.99%
Senworth Limited	Beneficial Owner	1,409,890,300 (Note 1)	1,409,890,300	14.90%
China Soft Power Technology Holdings Limited	Interest of controlled corporation	891,613,191 (Note 2)	891,613,191	9.44%

Notes:

- 1,409,890,300 shares were held by Senworth Limited, which Mr. Lin is a controlling shareholder of Senworth Limited. Accordingly, Mr. Lin was deemed to be interested in 1,409,890,300 shares of the Company under the SFO.
- These interests were held by Main Purpose Investment Limited, which was a wholly owned subsidiary of Ho Shing Limited, which in turn was a wholly owned subsidiary of China Soft Power Technology Holdings Limited (Stock Code: 139), the shares of which are listed on the main board of the Stock Exchange.

The interests of Mr. Lin and Senworth Limited in 1,409,890,300 shares of the Company referred to in Note 1 above related to the same parcel of shares.

Save as disclosed above, the Company had not been notified of any other relevant interests or short positions in the shares and underlying shares of the Company as at 30 September 2015 as required pursuant to section 336 of the SFO.

CORPORATE GOVERNANCE

The Company has complied with all the applicable provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules throughout the six months ended 30 September 2015 and up to the date of this report except for the following deviations with reasons as explained:

The Board

Code Provision A.2.1

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

CORPORATE GOVERNANCE (continued)

The Board (continued)

Deviation

Neither the Company's Bye-laws nor Bermuda Act, 1981 contains any requirement as to the separation of these roles. Mr. Suen Yick Lun Philip, an executive Director, was appointed as Acting Chairman and redesignated as Managing Director of the Company on 3 March 2015. The Board is of the opinion that it is appropriate and in the best interests of the Company that Mr. Suen Yick Lun Philip should hold both offices. The Board believes that it is able to effectively monitor and assess management in a manner that properly protects and promotes the interests of shareholders of the company. Nevertheless, the Nomination Committee of the Company is looking for a suitable candidate to act as Chairman of the Company.

Appointment of New Directors

Code Provision A.4.1

Code provision A.4.1 of the CG Code stipulates that non-executive directors should be appointed for a specific term, subject to re-election.

Deviation

There has been a deviation from the code provision since the appointment of three independent non-executive Directors, namely Mr. Siu Siu Ling Robert on 24 July 2015, and Mr. Chan Kwan Pak and Mr. Siu Gee Tai on 30 July 2015. They are not appointed for a specific term but shall retire from office by rotation at least once every three years as referred to in bye-law 87 of the Company's Bye-laws which provides that at each annual general meeting one-third of the directors of the Company for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance is no less exacting than those set out in the CG Code.

Responsibilities of Directors

Code Provision A.6.7

Code provision A.6.7 of the CG Code stipulates that independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders.

Deviation

Two independent non-executive Directors were unable to attend the special general meeting of the company held on 10 August 2015 (the "SGM") as they had other business engagement. However, there were two executive Directors and three independent non-executive Directors present at the SGM to enable the Board to develop a balanced understanding of the views of shareholders of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiry with the Directors, all of them confirmed that they have complied with the required standards set out in the Model Code during the six months ended 30 September 2015.

UPDATE ON DIRECTOR'S INFORMATION

The following is updated information of the Directors request to be disclosed pursuant to Rule 13.51 B(1) of the Listing Rules:

Mr. Man Wai Chuen, was appointed as an independent non-executive director of China Optoelectronics Holding Group Co., Limited (Stock Code: 1332), a listed company in Hong Kong, with effect from 11 August 2015.

Dr. Leung Shiu Ki, Albert resigned as an independent non-executive director of Ruifeng Petroleum Chemical Holdings Limited (Stock Code: 8096), a listed company in Hong Kong, with effect from 9 October 2015.

Mr. Chan Kwan Pak resigned as a non-executive director of Ruifeng Petroleum Chemical Holdings Limited (Stock Code: 8096), a listed company in Hong Kong, with effect from 9 October 2015.

AUDIT COMMITTEE

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

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

During the six months ended 30 September 2015, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

On behalf of the Board

Suen Yick Lun Philip
Acting Chairman and Managing Director

Hong Kong, 23 November 2015

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2015

	Notes	Six months ended	
		30 September 2015 HK\$'000 (Unaudited)	30 September 2014 HK\$'000 (Unaudited)
Revenue	4	20,451	278,698
Cost of sales		–	(245,660)
Gross profit		20,451	33,038
Net (loss) gain on investments at fair value through profit or loss		(459,453)	918,101
Other income and other gains and losses	7	27,180	2,675
Selling and distribution costs		–	(357)
Administrative expenses		(16,652)	(12,822)
Share based payment	18	(43,845)	–
Finance costs	5	(5,931)	(4,411)
(Loss) profit before taxation	6	(478,250)	936,224
Taxation	8	35,000	(120,965)
(Loss) profit and total comprehensive (expense) income for the period attributable to owners of the Company		(443,250)	815,259
(Loss) earnings per share attributable to owners of the Company	9		(restated)
– Basic and diluted (HK cents per share)		(5.26)	18.48

Condensed Consolidated Statement of Financial Position

At 30 September 2015

		30 September 2015 HK\$'000 (Unaudited)	31 March 2015 HK\$'000 (Audited)
	Notes		
NON-CURRENT ASSETS			
Property, plant and equipment		34	96
Available-for-sale investments	11	<u>686,000</u>	<u>349,400</u>
Total non-current assets		<u>686,034</u>	<u>349,496</u>
CURRENT ASSETS			
Trade and bills receivable	12	–	11,974
Prepayments, deposits and other receivables		14,105	17,497
Loans receivable	13	1,070,000	120,000
Tax recoverable		43	50
Investments at fair value through profit or loss	14	534,550	2,203,143
Cash and bank balances		<u>109,427</u>	<u>17,585</u>
Total current assets		<u>1,728,125</u>	<u>2,370,249</u>
CURRENT LIABILITIES			
Trade and bills payable	15	857	2,590
Other payables and accruals		6,819	18,917
Borrowing	16	–	158,128
Total current liabilities		<u>7,676</u>	<u>179,635</u>
NET CURRENT ASSETS		<u>1,720,449</u>	<u>2,190,614</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,406,483</u>	<u>2,540,110</u>
NON-CURRENT LIABILITIES			
Notes payable		146,724	146,375
Deferred tax liabilities		<u>30,000</u>	<u>65,000</u>
Total non-current liabilities		<u>176,724</u>	<u>211,375</u>
NET ASSETS		<u>2,229,759</u>	<u>2,328,735</u>
CAPITAL AND RESERVES			
Share capital	17	94,731	64,178
Reserves		<u>2,135,028</u>	<u>2,264,557</u>
TOTAL EQUITY		<u>2,229,759</u>	<u>2,328,735</u>

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2015

		Attributable to owners of the Company					
		Share capital	Share premium	Contribution surplus	Share option reserve	(Accumulated losses) Retained earnings	Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Notes							
	At 1 April 2015	64,178	1,625,244	388,137	38,975	212,201	2,328,735
	Loss and total comprehensive expense for the period	-	-	-	-	(443,250)	(443,250)
17	Placing of shares	15,000	135,000	-	-	-	150,000
17	Issue of shares	8,500	71,400	-	-	-	79,900
17	Exercise of warrants	7,053	63,476	-	-	-	70,529
	Recognition of share based payment	-	-	-	43,845	-	43,845
	At 30 September 2015	94,731	1,895,120	388,137	82,820	(231,049)	2,229,759
	At 1 April 2014	342,268	1,522,928	3,085	-	(274,856)	1,593,425
	Profit and total comprehensive income for the period	-	-	-	-	815,259	815,259
	Issue of bonus shares	85,567	(85,567)	-	-	-	-
	At 30 September 2014	427,835	1,437,361	3,085	-	540,403	2,408,684

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2015

	Six months ended	
	30 September 2015 HK\$'000 (Unaudited)	30 September 2014 HK\$'000 (Unaudited)
NET CASH GENERATED FROM OPERATING ACTIVITIES	<u>314,111</u>	<u>20,078</u>
NET CASH USED IN INVESTING ACTIVITIES		
Purchases of available-for-sale investment	(440,000)	(228,000)
Proceeds from disposal of available-for-sale investment	75,000	–
Other investing cash flows	430	2,873
	<u>(364,570)</u>	<u>(225,127)</u>
NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES		
Proceeds from issue of shares	229,900	–
Proceeds from exercise of warrants	70,529	–
New borrowing from a private bank	–	19,777
Repayment of borrowing	(158,128)	–
Decrease in bank advances for discounted bills	–	(69,316)
	<u>142,301</u>	<u>(49,539)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>91,842</u>	<u>(254,588)</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>17,585</u>	<u>313,566</u>
CASH AND CASH EQUIVALENTS AT THE PERIOD	<u>109,427</u>	<u>58,978</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	<u>109,427</u>	<u>58,978</u>

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 2015

1. BASIS OF PREPARATION

The condensed consolidated financial statements for the six months ended 30 September 2015 have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The condensed consolidated interim financial statements have been prepared under the historical cost convention, except for certain financial instruments, which are carried at fair values. The condensed consolidated interim financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated. The condensed consolidated interim financial statements are unaudited but have been reviewed by the Audit Committee of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in preparing the condensed consolidated interim financial statements are consistent with those adopted in the preparation of the Group’s annual financial statements for the year ended 31 March 2015.

In the current interim period, the Group has applied, for the first time, the following new interpretation and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant for 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 new interpretation and amendments to 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.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 2015

3. SEGMENT INFORMATION

In a manner consistent with the way in which information is reported internally to the chief operating decision maker for the purpose of resources allocation and performance assessment, the Group is currently organised into the following operating segments:

- the supply and procurement segment represents supply and procurement activities in metal minerals, recyclable metal materials and timber logs;
- the provision of finance segment represents provision of short-term loan financing activities;
- the investments segment represents investment activities in equity securities, convertible bonds and interest bearing notes; and
- the real estate segment represents the business line of trading properties and rental income.

Segment revenue and results

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

	Six months ended 30 September 2015 (Unaudited)				
	Supply and procurement HK\$'000	Provision of finance HK\$'000	Securities investment HK\$'000	Real estate HK\$'000	Consolidated HK\$'000
Segment revenue					
Sales to and income from external parties	-	16,931	3,220	300	20,451
Segment results	(1,170)	16,919	(456,248)	5,300	(435,199)
Unallocated other income and gains					21,519
Unallocated expenses					(58,639)
Finance costs					(5,931)
Loss before taxation					(478,250)
Taxation					35,000
Loss for the period					(443,250)

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 2015

3. SEGMENT INFORMATION (continued)

Segment revenue and results (continued)

	Six months ended 30 September 2014 (Unaudited)				Consolidated HK\$'000
	Supply and procurement HK\$'000	Provision of finance HK\$'000	Securities investment HK\$'000	Real estate HK\$'000	
Segment revenue					
Sales to and income from external parties	249,365	1,496	27,837	–	278,698
Segment results	3,181	1,548	945,938	–	950,667
Unallocated other income and gains					723
Unallocated expenses					(10,755)
Finance costs					(4,411)
Profit before taxation					936,224
Taxation					(120,965)
Profit for the period					815,259

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 2015

3. SEGMENT INFORMATION (continued)

Segment assets and liabilities

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

	As at 30 September 2015 (Unaudited)				Consolidated HK\$'000
	Supply and procurement HK\$'000	Provision of finance HK\$'000	Securities investment HK\$'000	Real estate HK\$'000	
Assets and liabilities					
Segment assets	3,724	1,184,116	534,550	-	1,722,390
Unallocated assets					691,769
Total assets					2,414,159
Segment liabilities	957	-	5,899	746	7,602
Unallocated liabilities					176,798
Total liabilities					184,400

	As at 31 March 2015 (Audited)				Consolidated HK\$'000
	Supply and procurement HK\$'000	Provision of finance HK\$'000	Securities investment HK\$'000	Real estate HK\$'000	
Assets and liabilities					
Segment assets	20,538	120,685	2,203,143	10,100	2,354,466
Unallocated assets					365,279
Total assets					2,719,745
Segment liabilities	17,188	368	160,766	898	179,220
Unallocated liabilities					211,790
Total liabilities					391,010

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 2015

4. REVENUE

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts, income from provision of finance, dividend and interest income from securities investments and rental income during the period under review.

An analysis of revenue is as follows:

	Six months ended	
	30 September 2015 HK\$'000 (Unaudited)	30 September 2014 HK\$'000 (Unaudited)
Sale of goods	–	249,365
Rental income	300	–
Interest income from provision of finance	16,931	1,496
Dividend income from investment in listed equity securities	2,604	27,522
Interest income from investment in convertible bonds and interest bearing notes	616	315
	<u>20,451</u>	<u>278,698</u>

5. FINANCE COSTS

	Six months ended	
	30 September 2015 HK\$'000 (Unaudited)	30 September 2014 HK\$'000 (Unaudited)
Interest on:		
Borrowing	1,822	321
Notes payable	4,109	4,090
	<u>5,931</u>	<u>4,411</u>

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 2015

6. (LOSS) PROFIT BEFORE TAXATION

	Six months ended	
	30 September 2015 HK\$'000 (Unaudited)	30 September 2014 HK\$'000 (Unaudited)
The Group's (loss) profit before taxation is arrived at after charging (crediting):		
Staff costs (including directors' remuneration):		
Wages and salaries	3,840	5,525
Retirement benefit contribution	195	274
Total staff costs	<u>4,035</u>	<u>5,799</u>
Cost of inventories sold	–	244,467
Allowance for doubtful debt	–	780
Depreciation of property, plant and equipment	10	437
Exchange loss	1	450
Bank interest income	(1)	(396)
Rental income	<u>(413)</u>	<u>(440)</u>

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 2015

7. OTHER INCOME AND OTHER GAINS AND LOSSES

Other income and other gains and losses mainly comprise a trading gain of HK\$5,000,000 from sale of property held for sale, a loss on disposal of available-for-sale investment of HK\$28,400,000, details as disclosed in Note 11 and other income from nomination of an independent third party to substitute the Group to complete the subscription of the shares of Mason Financial Holdings Limited (formerly known as Willie International Holdings Limited) (“Mason”) of HK\$50,000,000, details are set out in the Company’s announcement dated 11 May 2015.

8. TAXATION

	Six months ended	
	30 September 2015 HK\$'000 (Unaudited)	30 September 2014 HK\$'000 (Unaudited)
Current tax – Hong Kong	–	(20)
Deferred tax credit (charge) for the period	<u>35,000</u>	<u>(120,945)</u>
	<u>35,000</u>	<u>(120,965)</u>

Hong Kong Profits Tax for the six months ended 30 September 2015 and 2014 were calculated at 16.5% of the estimated assessable profit for the period.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 2015

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

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

	Six months ended	
	30 September 2015 HK\$'000 (Unaudited)	30 September 2014 HK\$'000 (Unaudited)
(Loss) profit		
(Loss) profit attributable to owners of the Company for the purpose of calculating basic and diluted (loss) earnings per share	<u>(443,250)</u>	<u>815,259</u>

	Six months ended	
	30 September 2015 '000 (Unaudited)	30 September 2014 '000 (Unaudited) (restated)
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted (loss) earnings per share	<u>8,424,055</u>	<u>4,412,049</u>

Number of shares

Weighted average number of ordinary shares for the purpose of calculating basic and diluted (loss) earnings per share

Basic and diluted earnings per share for the six months ended 30 September 2014 were the same because there is no potential dilutive ordinary shares existed.

The computation of diluted loss per share does not assume the exercise of the warrants and share options since their exercise would result in a decrease in loss per share for the six months ended 30 September 2015.

The weighted average number of ordinary shares for the purpose of calculating basic and diluted (loss) earnings per share has been adjusted for open offer that took place on 13 February 2015.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 2015

10. DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30 September 2015 (six months ended 30 September 2014: by way of bonus warrants to shareholders of the Company on the basis of one warrant for every five shares held).

11. AVAILABLE-FOR-SALE INVESTMENTS

As disclosed in the announcement of the Company dated 2 July 2015, an indirect wholly-owned subsidiary of the Company entered into a share subscription agreement with Freewill Holdings Limited (“FHL”) a private company to subscribe for 80,000,000 shares of FHL, which represented approximately 14.88% of all equity interests of FHL as at 30 September 2015 at an aggregate consideration of HK\$440,000,000. FHL is principally engaged in financial services related business. The transaction was completed on 2 July 2015.

In addition, during the six months ended 30 September 2015, the Group disposed of all equity interests in Cordoba Homes Limited with carrying amount of HK\$103,400,000 to an independent third party at a consideration of HK\$75,000,000. A loss on disposal of available-for-sale investment of HK\$28,400,000 was recognized in consolidated statement of profit or loss and other comprehensive income.

The unlisted equity securities are measured at cost less impairment at the end of the reporting period as these securities do not have a quoted market price in an active market.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 2015

12. TRADE AND BILLS RECEIVABLE

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally for a period of one month, extending up to three to six months for major customers. Each customer has a maximum credit limit. Overdue balances are reviewed regularly by senior management. Trade and bills receivable are non-interest bearing.

An aged analysis of trade and bills receivable at the end of the reporting period, based on invoice date, and net of impairment, is as follows:

	30 September 2015 HK\$'000 (Unaudited)	31 March 2015 HK\$'000 (Audited)
Within 30 days	–	–
31 to 60 days	–	1,555
61 to 90 days	–	–
91 to 180 days	–	–
Over 180 days	–	10,419
Total	<u>–</u>	<u>11,974</u>

13. LOANS RECEIVABLE

	30 September 2015 HK\$'000 (Unaudited)	31 March 2015 HK\$'000 (Audited)
Loans receivable	1,070,000	130,000
Less: Impairment loss recognised	<u>–</u>	<u>(10,000)</u>
	<u>1,070,000</u>	<u>120,000</u>

The range of effective interest rates (which are equal to contractual interest rates) on the Group's loans receivable is 3.25%–5% (2015: 8%) per annum.

All loans receivable are recoverable within one year.

At the end of the reporting period, there is no loans receivable which is past due for which the Group has not provided for impairment loss.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 2015

14. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 September 2015 HK\$'000 (Unaudited)	31 March 2015 HK\$'000 (Audited)
Held for trading		
– Equity securities listed in Hong Kong (<i>Note (a)</i>)	231,793	2,115,018
– Listed warrants in Hong Kong (<i>Note (a)</i>)	302,757	–
Designated as at FVTPL – Convertible bonds (<i>Note (b)</i>)	–	88,125
	<u>534,550</u>	<u>2,203,143</u>
Proceeds on sale of listed equity securities	(2,805,797)	(800,309)
Less: cost of sales based on weighted average method	<u>3,017,372</u>	<u>813,701</u>
Loss on disposal of investments in listed equity securities	<u>211,575</u>	<u>13,392</u>

Notes:

- (a) The fair values of the listed equity securities investments and listed warrants were determined based on the quoted market closing prices available on the Stock Exchange.

Pursuant to Subsection (1), Section 78 of Part 9 of Schedule 11 to Cap. 622 of the Hong Kong Companies Ordinance, the followings are the particulars of the Group's listed equity securities investments and warrants which exceeded 10% of the total assets of the Group:

As at 30 September 2015, the Group held 195,000,000 ordinary shares and 308,936,000 warrants in China Soft Power Technology Holdings Limited ("China Soft Power"), of which the ordinary shares represented approximately 2.31% of the issued share capital and the warrants represented approximately 3.67% of the issued share capital upon fully exercise. China Soft Power is incorporated in Bermuda and its shares are listed on the Stock Exchange. As at 30 September 2015, the fair value of the Group's investment in shares of China Soft Power amounted to approximately HK\$148.2 million (31 March 2015: approximately HK\$7.6 million) which exceeded 10% of the total assets of the Group.

- (b) At 31 March 2015, amount represents fair value of an investment in convertible notes issued by Up Energy Development Group Limited ("Up Energy"), a company listed on the Stock Exchange. The principal amount of the convertible notes is HK\$100,000,000, which can be converted to 133,333,333 ordinary shares of Up Energy at conversion price of HK\$0.75 per share from the inception date till the date which is five business days preceding the maturity date on 31 December 2018. The convertible notes carry interest at 5% per annum, payable semi-annually on 30 June and 31 December each calendar year. The convertible notes will be redeemed by Up Energy on maturity date at principal amount. The above convertible notes had been disposed by the Group during the six months ended 30 September 2015.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 2015

15. TRADE AND BILLS PAYABLE

Trade and bills payable are non-interest bearing and are normally settled on 60 days term.

The following is an analysis of trade and bills payable at the end of the reporting period, based on invoice date, is as follows:

	30 September 2015 HK\$'000 (Unaudited)	31 March 2015 HK\$'000 (Audited)
Within 30 days	–	–
61 to 90 days	–	–
91 to 180 days	–	–
Over 180 days	<u>857</u>	<u>2,590</u>
Total	<u>857</u>	<u>2,590</u>

16. BORROWING

	30 September 2015 HK\$'000 (Unaudited)	31 March 2015 HK\$'000 (Audited)
Other borrowing – secured	<u>–</u>	<u>158,128</u>

As at 31 March 2015, the loan was secured by marketable securities of approximately HK\$717,446,000 and borne floating interest rate ranging from 2.3% to 4.34% per annum. The loan was fully repaid during the six months ended 30 September 2015.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 2015

17. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000 (Unaudited)
Authorised:		
At 1 April 2015 and 30 September 2015 – Ordinary shares of HK\$0.01 each	100,000,000	1,000,000
Issued and fully paid:		
At 1 April 2015	6,417,865	64,178
Placing of shares (<i>Note 1</i>)	1,500,000	15,000
Issue of shares (<i>Note 2</i>)	850,000	8,500
Exercise of warrants (<i>Note 3</i>)	705,290	7,053
At 30 September 2015	9,473,155	94,731

Notes:

- (1) On 17 March 2015, the Company and Mason entered into a subscription agreement to subscribe for 1,250,000,000 shares of Mason, at a total consideration of HK\$150,000,000, subject to the fulfillment of the agreed conditions, including but not limited to approvals from the Stock Exchange. Under the same agreement, the Company agreed to issue 1,500,000,000 shares of the Company, subject to the fulfillment of the agreed conditions, including but not limited to approvals from the Stock Exchange and shareholders of the Company at the special general meeting. The Company completed the issue of 1,500,000,000 ordinary shares to Mason on 17 June 2015. Details are set out in the Company's announcements dated 17 March 2015, 5 May 2015, 11 May 2015 and 17 June 2015 and the circular of the Company dated 1 June 2015.
- (2) As disclosed in the announcement of the Company dated 16 February 2015, Million Brilliance Limited ("Million Brilliance"), an indirect wholly-owned subsidiary of the Company entered into a conditional agreement with Qualipak Development Limited ("Qualipak Development") pursuant to which Million Brilliance agreed to purchase the entire issued shares in Empire New Assets Limited ("Empire New Assets"), and assignment of the loan of HK\$32,216,000 at a consideration of HK\$90,000,000. The consideration was satisfied by (i) HK\$10,100,000 payable in cash and (ii) HK\$79,900,000 payable by issue of 850,000,000 consideration shares of the Company. The acquisition of trading assets was completed on 20 May 2015.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 2015

17. SHARE CAPITAL (continued)

Notes: (continued)

- (3) As disclosed in the announcements of the Company dated 28 November 2014 and 1 December 2014, the Company proposed to distribute interim dividend by a way of the bonus warrants on the basis of one warrant for every five shares held on 12 January 2015, a total of 855,670,100 warrants were issued accordingly. Each warrant will entitle the holder thereof to subscribe in cash for one new share to be issued by the Company at an initial subscription price of HK\$0.10, subject to adjustments, at any time during the period on or after 27 January 2015 but no later than 26 January 2016.

During the six months ended 30 September 2015, 705,289,930 new shares were issued as a result of exercise of warrants. As at 30 September 2015, the Company had 150,039,955 warrants outstanding.

18. SHARE OPTION SCHEME

The share option scheme of the Company (the "Share Option Scheme") was adopted by the Company at the annual general meeting of the Company held on 24 September 2012. Unless otherwise cancelled or amended, the Share Option Scheme will be valid and effective for a period of ten years commencing on the date of adoption. The purpose of the Share Option Scheme is to enable the Group to attract, retain and motivate talented participants to strive for future development and expansion of the Group. The Share Option Scheme shall provide incentive to encourage participants to perform their best in achieving the goals of the Group and allow the participants to enjoy the results of the Company attained through their efforts and contributions. Eligible participants of the Share Option Scheme include any individual being an employee, officer, agent, consultant or representative of any member of the Group (including any executive or non-executive director of any member of the Group) who, as the Board of Directors may determine in its absolute discretion, has made valuable contribution to the business of the Group based on his/her performance and/or years of service, or is regarded to be a valuable human resource of the Group based on his/her working experience, knowledge in the industry and other relevant factors. The offer of a grant of share options may be accepted within thirty days from the date of grant. The amount payable by each grantee of options to the Company on acceptance of the offer for the grant of options is HK\$1.00.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 2015

18. SHARE OPTION SCHEME (continued)

The subscription price for the shares on the exercise of options under the Share Option Scheme shall be a price determined by the Board of Directors and notified to the relevant participant at the time of grant of the options (subject to any adjustments made pursuant to the Share Option Scheme and the relevant provisions of the Rules Governing the Listing of Securities on the Stock Exchange) is made to (subject to acceptance by) the participant and shall be at least the highest of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date on which the option is granted, which date must be a business day; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date on which the option is granted; and (iii) the nominal value of the share. The exercise period of the share options granted is determinable by the Directors but in any event, not longer than ten years from the date of grant.

The total number of shares issued and to be issued upon exercise of the options granted to each participant, together with all options granted and to be granted to him/her under any other share option scheme(s) of the Company within the 12-month period immediately preceding the proposed date of grant (including exercised, cancelled and outstanding options) shall not exceed 1% of the total number of the shares in issue as at the proposed date of grant. Any further grant of options to a participant in excess of the 1% limit shall be subject to the shareholders' approval of the Company with such participant and his/her associates abstaining from voting.

The limit on the total number of the shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company (excluding lapsed and cancelled options) must not exceed 30% of the total number of the shares in issue from time to time. In addition, the total number of the shares which may be issued upon exercise of all options to be granted under the Share Option Scheme, together with all options to be granted under any other share option scheme(s) of the Company (excluding lapsed options), must not represent more than 10% of the total number of the shares in issue as at the date of approval of the Share Option Scheme (the "Scheme Mandate Limit") or as at the date of approval of the refreshed Scheme Mandate Limit as the case maybe.

As at 30 September 2015, the number of shares in respect of which options under the Share Option Scheme had been granted and remained outstanding was 911,335,050 (31 March 2015: 427,835,050), representing 9.62% of the shares of the Company in issue as at 30 September 2015.

483,500,000 out of 911,335,050 share options were granted on 18 September 2015 pursuant to the scheme mandate limit under the Share Option Scheme refreshed at the annual general meeting of the Company held on 8 September 2015 ("2015 Scheme").

427,835,050 out of 911,335,050 share options were granted on 2 March 2015 pursuant to the scheme mandate limit under the Share Option Scheme refreshed at the annual general meeting of the Company held on 30 September 2014 ("2014 Scheme").

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 2015

18. SHARE OPTION SCHEME (continued)

The following table discloses movements in the Company's share options during the period:

Type of grantee	Date of grant	Exercisable period	Scheme	Exercise price per share option	Number of share options				Outstanding as at 30 September 2015
					Outstanding as at 1 April 2015	Granted during the period	Exercised during the period	Lapsed during the period	
Directors									
Mr. Tam	18 September 2015	18 September 2015 to 17 September 2018	2015 Scheme	HK\$0.249	-	15,000,000	-	-	15,000,000
Mr. Ng	18 September 2015	18 September 2015 to 17 September 2018	2015 Scheme	HK\$0.249	-	6,000,000	-	-	6,000,000
					<u>-</u>	<u>21,000,000</u>	<u>-</u>	<u>-</u>	<u>21,000,000</u>
Agents/Consultants	2 March 2015	2 March 2015 to 1 March 2025	2014 Scheme	HK\$0.123	427,835,050	-	-	-	427,835,050
	18 September 2015	18 September 2015 to 17 September 2018	2015 Scheme	HK\$0.249	-	462,500,000	-	-	462,500,000
					<u>427,835,050</u>	<u>462,500,000</u>	<u>-</u>	<u>-</u>	<u>890,335,050</u>
					<u>427,835,050</u>	<u>483,500,000</u>	<u>-</u>	<u>-</u>	<u>911,335,050</u>

Notes:

- The share options were immediately vested upon granted.
- The exercise price of the share options was subject to adjustments in the case of capitalization of profits or reserve, rights or bonus issues, consolidation, subdivision or reduction of the share capital or other charges in the capital structure of the Company.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 2015

18. SHARE OPTION SCHEME (continued)

During the six month ended 30 September 2015, the Company granted 483,500,000 share options (2014: nil) under the Share Option Scheme on 18 September 2015.

The fair values of HK\$43,845,000 were calculated by Cushman & Wakefield Valuation Advisory Services (HK) Limited, an independent qualified professional valuer using the Binomial option pricing model. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate.

The value of an option varies with different variables of certain subjective assumptions. The inputs into the model were as follows:

	18 September 2015
Grant date share price	HK\$0.249
Exercise price	HK\$0.249
Option life	3 years
Expected volatility	57.79%
Expected dividend yield	0%
Risk-free interest rate	0.63%

During the current period, share options were granted to individuals on a discretionary basis for their consultancy services render to the Group.

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For the six months ended 30 September 2015

19. COMMITMENTS

Operating Lease Arrangements

The Group leases certain of its office properties under operating lease arrangements. Leases for the properties were negotiated for terms of two to five years.

As at 30 September 2015 and 31 March 2015, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	30 September 2015 HK\$'000 (Unaudited)	31 March 2015 HK\$'000 (Audited)
Within one year	916	6,924
In the second to fifth years, inclusive	–	1,995
	916	8,919

Capital Commitments

At the end of the current reporting period, the Group was committed to acquire entire equity interests in Skyway Securities Investment Limited and Skyway Futures Limited (the "Target Companies") at an aggregated consideration of HK\$1,200,000,000 with details set out in the circular of the Company dated 26 August 2015.

20. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial assets measured at fair value on recurring basis

The following table provides an analysis of the Group's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable for the six months ended 30 September 2015:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as price) or indirectly (i.e. derived from prices); and

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For the six months ended 30 September 2015

20. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

(a) Financial assets measured at fair value on recurring basis (continued)

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liability that are not based on observable market data (unobservable inputs).

Financial assets	Fair value		Fair value hierarchy	Valuation techniques	Significant unobservable input
	30.9.2015 HK\$'000	31.3.2015 HK\$'000			
Held for trading investments - Listed equity securities	231,793	2,115,018	Level 1	Quoted market closing prices in an active market	N/A
- Listed warrants	302,757	-	Level 1	Quoted market closing prices in an active market	N/A
Investment designated as at FVTPL	-	88,125	Level 3	Trinomial model and Crank-Nicolson finite-difference	Volatility: 50.78% Discount rate: 18.62% to 19.47%

During the period under review, there were no transfers among Level 1, Level 2 and level 3. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

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For the six months ended 30 September 2015

20. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

(a) Financial assets measured at fair value on recurring basis (continued)

The movement during the period under review in the balance of Level 3 fair value measurements is as follows:

	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
At 1 April	88,125	23,370
Transfers from Level 3 to Level 1 (<i>Note</i>)	–	(23,370)
Disposal	(88,125)	–
At 30 September	–	–
Net (loss) gain for the period included in profit or loss for investments designated as at FVTPL	–	260,430

Note: During the six months ended 30 September 2014, the Group transferred an investment designated as at FVTPL from Level 3 into Level 1 due to the exercise of the conversion right embedded in the convertible bonds and resulted in recognition of investments held for trading and a gain on conversion of approximately HK\$260,430,000 recognised in profit or loss.

(b) Fair value measurements and valuation processes

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where those inputs are not available, the Group engages independent qualified professional valuer to perform the valuation. At 31 March 2015, the Group has engaged Peak Vision Appraisals Limited, an independent qualified professional valuer, to perform valuations for the investments designated as FVTPL.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 September 2015

21. RELATED PARTY TRANSACTIONS

The Group had the following related party transactions for the six months ended 30 September 2015 and 2014:

(i) Compensation of key management personnel of the Group

	Six months ended	
	30 September 2015 HK\$'000 (Unaudited)	30 September 2014 HK\$'000 (Unaudited)
Short-term employee benefits	2,473	2,265
Post-employment benefits	74	104
Share based payment	1,988	–
Total compensation paid to key management personnel	<u>4,535</u>	<u>2,369</u>

(ii) Rental income

	Six months ended	
	30 September 2015 HK\$'000 (Unaudited)	30 September 2014 HK\$'000 (Unaudited)
Rental income received from a related company in which two Directors of the Company have significant influence	<u>–</u>	<u>440</u>

(iii) Rental expenses

	Six months ended	
	30 September 2015 HK\$'000 (Unaudited)	30 September 2014 HK\$'000 (Unaudited)
Rental expenses paid to a related company in which two Directors of the Company have significant influence	<u>–</u>	<u>96</u>

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22. EVENTS AFTER THE END OF THE REPORTING PERIOD

As disclosed in the announcement of the Company dated 11 May 2015, and the circular of the Company dated 26 August 2015, the Company and the majority shareholders of the Target Companies (the “Vendors 1”) entered into a sale and purchase agreement on 7 May 2015, pursuant to which the Company conditionally agreed to purchase and the Vendors 1 conditionally agreed to sell 81% equity interests in each of the Target Companies, at a total consideration of HK\$972,000,000. The Target Companies are corporations licensed under the Securities and Futures Ordinance and their principal activities are dealing in securities and future contracts. And further on 11 May 2015, the Company and the remaining shareholder of the Target Companies (the “Vendor 2”) entered into a sale and purchase agreement, pursuant to which the Company conditionally agreed to purchase and Vendor 2 conditionally agreed to sell the remaining equity interests of 19% in each of the Target Companies, at a consideration of HK\$228,000,000. The transactions have been completed on 4 November 2015 by fulfilling all conditions set out in both sale and purchase agreements. The Target Companies have become the wholly-owned subsidiaries of the Company and the financial results of the Target Companies will be consolidated in the accounts of the Group. Details of completion of the major acquisition is set out in the Company’s announcement dated on 4 November 2015.

As disclosed in the announcement of the Company dated 12 October 2015, the Board of Directors offered to grant an aggregate of 462,500,000 share options at exercise price of HK\$0.246 to subscribe for the ordinary shares of HK\$0.01 each in the share capital of the Company under the Share Option Scheme adopted by the Company on 24 September 2012 to the eligible participants. The Share Options may be exercised in whole or in part by the respective grantees at any time during the option period since 12 October 2015, and in each case, not later than 11 October 2018.

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22. EVENTS AFTER THE END OF THE REPORTING PERIOD (continued)

As disclosed in the announcement of the Company dated 19 November 2015, Skyway Credit Service Limited, an indirect wholly-owned subsidiary of the Company, (the “Lender”), entered into a loan agreement on 19 November 2015 with Eternal Vantage Investment Limited (the “Borrower”), pursuant to which the Lender has agreed to provide the loan facility of up to HK\$200 million to the Borrower, bearing interest at the rate of 1.8% per month for a period of two months. The source of the loan facility was funded by the term loan of HK\$200 million pursuant to the term loan agreement dated 19 November 2015 entered into between the Company as borrower and an independent third party as lender.

As at the date to approve and authorise for issue of the unaudited condensed consolidated interim financial statements, the Directors are in the process of assessing the relevant financial impact for the above events.

23. APPROVAL OF THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The unaudited condensed consolidated interim financial statements are approved and authorised for issue by the Board on 23 November 2015.