



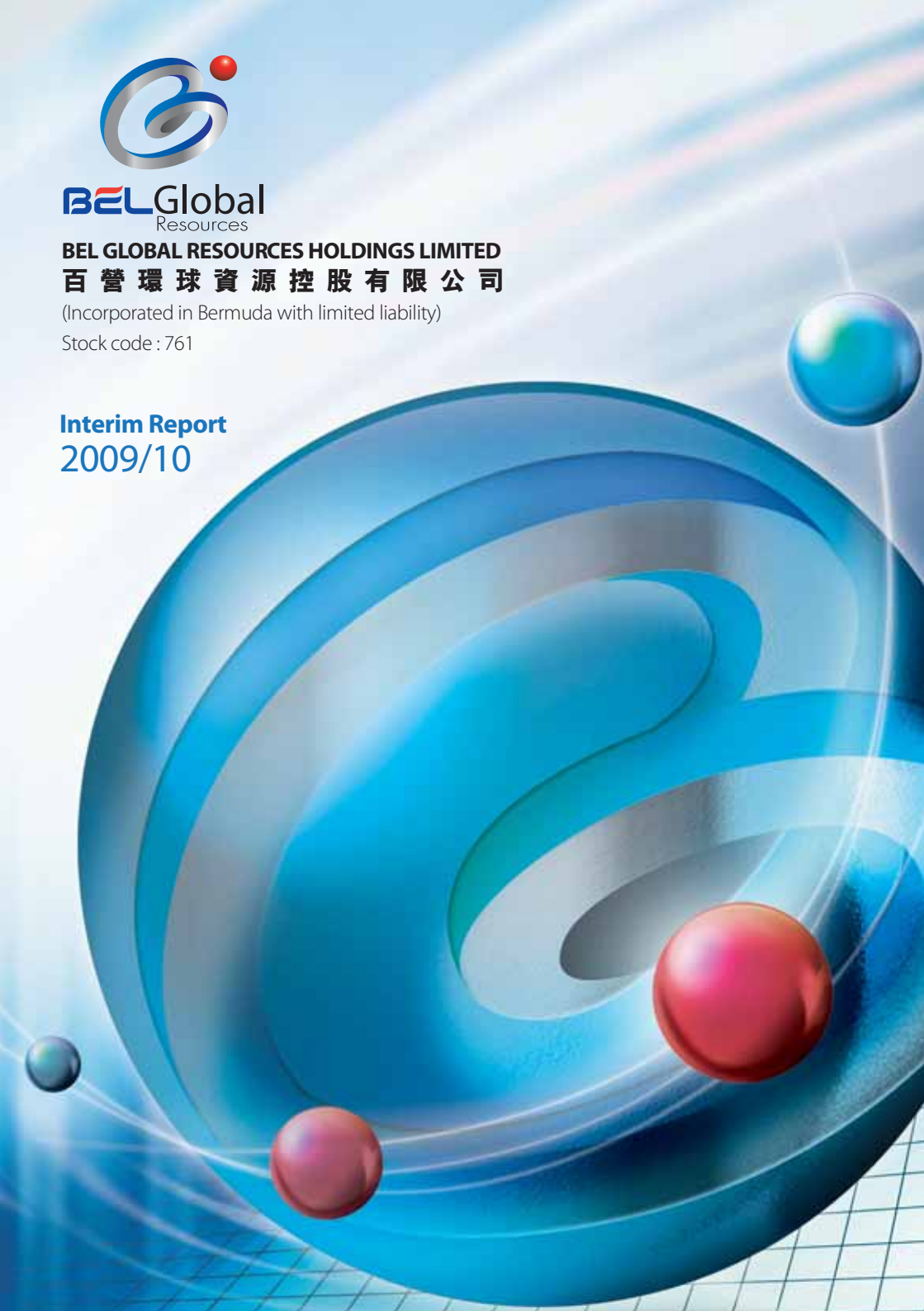
BELGlobal
Resources

BEL GLOBAL RESOURCES HOLDINGS LIMITED
百營環球資源控股有限公司

(Incorporated in Bermuda with limited liability)

Stock code : 761

Interim Report
2009/10



UNAUDITED INTERIM RESULTS

The Board of Directors (the "Board") of Bel Global Resources Holdings Limited (the "Company") hereby presents the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2009 together with the comparative figures for the corresponding period in 2008. These interim financial statements were not audited but have been reviewed by the Company's audit committee (the "Audit Committee").

CONDENSED CONSOLIDATED INCOME STATEMENT

		For the six months ended 30 September	
		2009	2008
		(Unaudited)	(Unaudited)
	<i>Notes</i>	HK\$'000	HK\$'000
REVENUE	2	79,813	74,698
Cost of sales		(62,487)	(58,324)
Gross profit		17,326	16,374
Other income and gains		930	437
Selling and distribution costs		(17,197)	(10,360)
Administrative expenses		(17,379)	(17,960)
Other expenses		(507)	(29)
Finance costs	5	(9,886)	(22,047)
LOSS BEFORE TAX	4	(26,713)	(33,585)
Tax	6	-	(584)
LOSS FOR THE PERIOD ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY		(26,713)	(34,169)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	7		
- Basic		HK (1.09) cents	HK (2.40) cents
- Diluted		N/A	N/A

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended 30 September	
	2009	2008
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Loss for the period	(26,713)	(34,169)
Exchange differences on translation of foreign operations	(30)	–
Revaluation surplus of land and buildings	733	–
Deferred tax liabilities arising on revaluation of land and buildings	(183)	–
	<hr/>	<hr/>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(26,193)	(34,169)
	<hr/>	<hr/>

CONDENSED CONSOLIDATED BALANCE SHEET

		30 September 2009 (Unaudited) HK\$'000	31 March 2009 (Audited) HK\$'000
	<i>Notes</i>		
NON-CURRENT ASSETS			
Property, plant and equipment		23,592	23,438
Available-for-sale equity investments	8	–	–
Intangible asset	9	1,400,739	1,400,739
		<hr/>	<hr/>
Total non-current assets		1,424,331	1,424,177
		<hr/>	<hr/>
CURRENT ASSETS			
Inventories		29,555	36,162
Trade and bills receivables	10	30,677	24,861
Prepayments, deposits and other receivables		109,065	27,066
Pledged bank deposit		5,000	–
Cash and bank balances		39,754	44,882
		<hr/>	<hr/>
Total current assets		214,051	132,971
		<hr/>	<hr/>
CURRENT LIABILITIES			
Trade and bills payables	11	8,345	4,506
Other payables and accruals		22,757	11,958
Interest-bearing bank borrowings	12	11,368	15,868
Other borrowing		15,500	–
Amount due to directors		7,500	4,330
Tax payable		6,413	13,393
		<hr/>	<hr/>
Total current liabilities		71,883	50,055
		<hr/>	<hr/>
NET CURRENT ASSETS		142,168	82,916
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,566,499	1,507,093
		<hr/>	<hr/>

CONDENSED CONSOLIDATED BALANCE SHEET *(continued)*

		30 September 2009 (Unaudited) HK\$'000	31 March 2009 (Audited) HK\$'000
	<i>Notes</i>		
NON-CURRENT LIABILITIES			
Convertible bonds	13	215,054	295,227
Deferred tax liabilities		3,400	3,217
		<hr/>	<hr/>
Total non-current liabilities		218,454	298,444
		<hr/>	<hr/>
Net assets		1,348,045	1,208,649
		<hr/>	<hr/>
EQUITY			
Issued capital	14	265,367	208,395
Equity component of convertible bonds		97,010	139,349
Reserves		985,668	860,905
		<hr/>	<hr/>
Total equity		1,348,045	1,208,649
		<hr/>	<hr/>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Notes	Issued share capital	Share premium account*	Share option reserve*	Equity component of convertible bonds	Land and buildings revaluation reserve*	Reserve funds*	Exchange fluctuation reserve*	Retained profits/(accumulated losses)*	Proposed final dividend	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2008 (Audited)	58,533	183,485	-	346,095	10,816	173	3,707	35,665	5,853	644,327
Total comprehensive loss for the period	-	-	-	-	-	-	-	(34,169)	-	(34,169)
Issue of convertible bonds	13	-	-	99,684	-	-	-	-	-	99,684
Conversion of convertible bonds	13	133,612	-	(272,865)	-	-	-	-	-	544,781
Final 2008 dividend paid	-	-	-	-	-	-	-	(11,525)	(5,853)	(17,378)
At 30 September 2008 (Unaudited)	192,145	867,519	-	172,914	10,816	173	3,707	(10,029)	-	1,237,245
At 1 April 2009 (Audited)	208,395	952,525	-	139,349	9,654	173	4,442	(105,889)	-	1,208,649
Total comprehensive loss for the period	-	-	-	-	550	-	(30)	(26,713)	-	(26,193)
Issue of shares	14	34,700	36,435	-	-	-	-	-	-	71,135
Share issue expenses	-	(1,500)	-	-	-	-	-	-	-	(1,500)
Equity-settled share option arrangement	13	-	-	4,209	-	-	-	-	-	4,209
Conversion of convertible bonds	13	20,792	111,516	-	(42,339)	-	-	-	-	89,969
Share options exercised	14	1,480	296	-	-	-	-	-	-	1,776
Release of share option reserve	14	-	903	(903)	-	-	-	-	-	-
At 30 September 2009 (Unaudited)	265,367	1,100,175	3,306	97,010	10,204	173	4,412	(132,602)	-	1,348,045

* These reserve accounts comprise the consolidated reserves of HK\$985,668,000 (31 March 2009: HK\$860,905,000) in the condensed consolidated balance sheet.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	For the six months ended 30 September	
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Net cash inflow/(outflow) from operating activities	(81,857)	326
Net cash inflow/(outflow) from investing activities	(5,562)	25,772
Net cash inflow/(outflow) from financing activities	82,321	(5,616)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(5,098)	20,482
Cash and cash equivalents at beginning of period	44,882	14,810
Effect of foreign exchange rate changes, net	(30)	–
CASH AND CASH EQUIVALENTS AT END OF PERIOD	39,754	35,292
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	39,754	35,292

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Basis of preparation

The unaudited condensed consolidated interim financial statements of Bel Global Resources Holdings Limited (the "Company") and its subsidiaries (collectively known as the "Group") for the six months ended 30 September 2009 have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Listing Rules"). The accounting policies and basis of preparation adopted in the preparation of the interim financial statements are the same as those used in the annual financial statements for the year ended 31 March 2009, except for the adoption of the new and revised Hong Kong Financial Reporting Standards ("HKFRSs", which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) as disclosed below.

Impact of new and revised HKFRSs

The Group has adopted for the first time for the current period's unaudited condensed consolidated interim financial statements. Except for HKAS 1 (Revised) and HKFRS 8 giving rise to changes in presentation and disclosures of financial statements as detailed below, the adoption of the following new and revised HKFRSs has had no material impact on these unaudited condensed consolidated interim financial statements.

HKFRS 1 and HKAS 27 Amendments	Amendments to HKFRS 1 <i>First-time Adoption of HKFRSs</i> and HKAS 27 <i>Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate</i>
HKFRS 2 Amendments	Amendments to HKFRS 2 <i>Share-based Payment – Vesting Conditions and Cancellations</i>
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments</i>
HKFRS 8	<i>Operating Segments</i>
HKAS 1 (Revised)	<i>Presentation of Financial Statements</i>
HKAS 23 (Revised)	<i>Borrowing Costs</i>
HKAS 32 and HKAS 1 Amendments	Amendments to HKAS 32 <i>Financial Instruments: Presentation</i> and HKAS 1 <i>Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation</i>
HK(IFRIC)-Int 9 and HKAS 39 Amendments	Amendments to HK(IFRIC)-Int 9 <i>Reassessment of Embedded Derivatives</i> and HKAS 39 <i>Financial Instruments: Recognition and Measurement – Embedded Derivatives</i>
HK(IFRIC)-Int 13	<i>Customer Loyalty Programmes</i>
HK(IFRIC)-Int 15	<i>Agreements for the Construction of Real Estate</i>
HK(IFRIC)-Int 16	<i>Hedges of a Net Investment in a Foreign Operation</i>

1. **Basis of preparation** *(continued)*

Impact of new and revised HKFRSs *(continued)*

Apart from the above, the HKICPA has issued Improvements to HKFRSs* which set out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording for annual periods beginning on or after 1 January 2009.

* Improvements to HKFRSs contains amendments to HKFRS 5[#], HKFRS 7, HKAS 1, HKAS 8, HKAS 10, HKAS 16, HKAS 18, HKAS 19, HKAS 20, HKAS 23, HKAS 27, HKAS 28, HKAS 29, HKAS 31, HKAS 34, HKAS 36, HKAS 38, HKAS 39, HKAS 40 and HKAS 41.

[#] Effective for annual periods beginning on or after 1 July 2009

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) *HKAS 1 (Revised) "Presentation of Financial Statements"*

HKAS 1 (Revised) introduces changes in the presentation and disclosures of financial statements. The revised standard separates owner and non-owner changes in equity. The statement of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, this standard introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group adopted HKAS 1 (Revised) from 1 April 2009. The adoption of the revised standard has no effect on the financial position or results of operations of the Group. It does, however, result in certain presentational changes in the presentation and disclosures of financial statements.

(b) *HKFRS 8 "Operating Segments"*

HKFRS 8, which replaces HKAS 14 "Segment Reporting", specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group adopted HKFRS 8 from 1 April 2009. The adoption of the revised standard has no effect on the financial position or results of operations of the Group. It does, however, result in certain presentational changes in the presentation and disclosures of financial statements.

1. **Basis of preparation** *(continued)*

Impact of issued but not yet effective HKFRSs

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

HKFRS 1 (Revised)	<i>First-time Adoption of HKFRSs¹</i>
HKFRS 3 (Revised)	<i>Business Combinations¹</i>
HKAS 27 (Revised)	<i>Consolidated and Separate Financial Statements¹</i>
HKAS 39 Amendment	<i>Amendment to HKAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items¹</i>
HK(IFRIC)-Int 17	<i>Distribution of Non-cash Assets to Owners¹</i>
HK(IFRIC)-Int 18	<i>Transfers of Assets from Customers¹</i>

¹ Effective for annual periods beginning on or after 1 July 2009

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a significant impact on its results of operations and financial position and presentation of the unaudited condensed consolidated interim financial statements.

2. **Revenue**

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts during the period.

3. **Segment information**

For management purpose, the Group is organised into business units based on their products, and has three reportable segments as follows:

- (a) the mineral resources segment engages in the trading of mineral resources;
- (b) the apparel segment engages in the trading of fur pelts and tanned leather; manufacture and sale of leather garments, fur garments and fabric garments; and
- (c) the corporate and others segment comprises corporate income and expense items, and the trading of other products.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

3. Segment information *(continued)*

The following table presents revenue and loss for the Group's reportable segments for the six months ended 30 September 2009 and 2008.

	Unaudited for the six months ended 30 September 2009			
	Mineral resources HK\$'000	Apparel HK\$'000	Corporate and others HK\$'000	Consolidated HK\$'000
Segment revenue:				
Sales to external customers	<u>42,938</u>	<u>36,875</u>	<u>-</u>	<u>79,813</u>
Segment results	<u>(13,350)</u>	<u>(1,464)</u>	<u>(2,053)</u>	<u>(16,867)</u>
Bank interest income				40
Finance costs				<u>(9,886)</u>
Loss before tax				(26,713)
Tax				<u>-</u>
Loss for the period				<u>(26,713)</u>

	Unaudited for the six months ended 30 September 2008			
	Mineral resources HK\$'000	Apparel HK\$'000	Corporate and others HK\$'000	Consolidated HK\$'000
Segment revenue:				
Sales to external customers	<u>13,744</u>	<u>60,954</u>	<u>-</u>	<u>74,698</u>
Segment results	<u>(3,994)</u>	<u>(4,969)</u>	<u>(2,992)</u>	<u>(11,955)</u>
Bank interest income				417
Finance costs				<u>(22,047)</u>
Loss before tax				(33,585)
Tax				<u>(584)</u>
Loss for the period				<u>(34,169)</u>

4. Loss before tax

The Group's loss before tax is arrived at after charging/(crediting):

	For the six months ended 30 September	
	2009	2008
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Cost of inventories sold (including inventory provision)	62,487	41,583
Depreciation	1,181	1,032
Amortisation of an intangible asset	–	1,451
Minimum lease payments under operating leases in respect of land and buildings	1,433	1,468
Auditors' remuneration	53	533
Employee benefits expense (including directors' remuneration)	16,072	16,508
Foreign exchange differences, net	152	295
Bank interest income	(40)	(417)
	<u> </u>	<u> </u>

5. Finance costs

	For the six months ended 30 September	
	2009	2008
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest on bank borrowings wholly repayable in five years	90	206
Interest on convertible bonds (<i>note 13</i>)	9,796	21,841
	<u> </u>	<u> </u>
	<u>9,886</u>	<u>22,047</u>

6. Tax

No provision for Hong Kong profits tax had been made for the period as the Group did not generate any assessable profits arising in Hong Kong during the period. Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the six months ended 30 September 2008. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the location in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	For the six months ended 30 September	
	2009	2008
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current – Hong Kong	<u>–</u>	<u>584</u>

7. Loss per share attributable to ordinary equity holders of the Company

The calculation of basic loss per share amount is based on the loss for the period attributable to ordinary equity holders of the Company of HK\$26,713,000 (six months ended 30 September 2008: HK\$34,169,000) and the weighted average number of ordinary shares of 2,444,614,704 (six months ended 30 September 2008: 1,422,715,045) in issue during the period as adjusted to reflect the conversion of convertible bonds during the period.

Diluted loss per share amount for the six months ended 30 September 2009 has not been disclosed, as the convertible bonds and share options outstanding during the period had anti-dilutive effects on the basic loss per share amount for the period. Diluted loss per share amount for the six months ended 30 September 2008 has not been disclosed, as the convertible bonds outstanding during that period had an anti-dilutive effect on the basic loss per share amount for that period.

8. Available-for-sale equity investments

	30 September 2009 (Unaudited) HK\$'000	31 March 2009 (Audited) HK\$'000
Unlisted equity investments, at cost	3,364	3,364
Less: Impairment	(3,364)	(3,364)
	—	—

As at 30 September 2009, the unlisted equity investments of the Group were stated at cost less impairment because they do not have a quoted market price in an active market, the range of reasonable fair value estimates is so significant that the directors are of the opinion that their fair value cannot be measured reliably. Impairment was recognised for the unlisted investments with reference to their business performance. There was no change in the impairment during the period (six months ended 30 September 2008: Nil). The Group has no intension to dispose of them in the near future.

9. Intangible assets

Exclusive purchase right

	30 September 2009 (Unaudited) HK\$'000	30 September 2008 (Unaudited) HK\$'000
At beginning of period	1,400,739	2,332,273
Amortisation during the period	—	(1,451)
At 30 September	1,400,739	2,330,822
At 30 September:		
Cost	2,347,102	2,347,102
Accumulated amortisation and impairment loss	(946,363)	(16,280)
	1,400,739	2,330,822

10. Trade and bills receivables

	30 September 2009 (Unaudited) HK\$'000	31 March 2009 (Audited) HK\$'000
Trade and bills receivables	34,633	28,795
Impairment	(3,956)	(3,934)
	<u>30,677</u>	<u>24,861</u>

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance or letters of credits are normally required. The credit period is generally for a period of one to three months, extending up to six months for major customers. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are predominantly non-interest-bearing. The carrying amounts of trade and bills receivables approximate to their fair values.

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

	30 September 2009 (Unaudited) HK\$'000	31 March 2009 (Audited) HK\$'000
Within 3 months	25,916	18,245
4 to 6 months	2,255	3,327
7 to 12 months	315	3,064
Over 1 year	2,191	225
	<u>30,677</u>	<u>24,861</u>

11. Trade and bills payables

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

	30 September 2009 (Unaudited) HK\$'000	31 March 2009 (Audited) HK\$'000
Within 3 months	5,345	2,325
4 to 6 months	1,180	1,114
7 to 12 months	902	44
Over 1 year	918	1,023
	8,345	4,506

The trade and bills payables are non-interest-bearing and are normally settled within 30 to 90 days. The carrying amounts of trade and bills payables approximate to their fair values.

12. Interest-bearing bank and other borrowings

	Effective interest rate (%)		Maturity		30 September 2009 (Unaudited) HK\$'000	31 March 2009 (Audited) HK\$'000
	30 September 2009 (Unaudited)	31 March 2009 (Audited)	30 September 2009 (Unaudited)	31 March 2009 (Audited)		
Current						
Bank loan from discounted bills receivable – unsecured	1.75	1.5	2009	2009	9,088	13,588
Bank loans – secured	5.31	5.31	2009	2009	2,280	2,280
					11,368	15,868
Non-current						
Convertible bonds (note 13)						
Tranche 1	8.7	8.7	2013	2013	115,795	111,207
Tranche 2	9.23	9.23	2013	2013	99,259	184,020
					215,054	295,227
					226,422	311,095

12. Interest-bearing bank and other borrowings *(continued)*

	30 September 2009 (Unaudited) HK\$'000	31 March 2009 (Audited) HK\$'000
Analysed into:		
Bank loans:		
Within one year or on demand	<u>11,368</u>	<u>15,868</u>
Convertible bonds:		
In the second to fifth years, inclusive	<u>215,054</u>	<u>295,227</u>

Notes:

- (a) As at 30 September 2009, the Group's banking facilities were secured by the pledge of the Group's bank deposit and certain leasehold land and buildings amounting to HK\$5,000,000 and HK\$11,000,000, respectively (31 March 2009: pledge of the Group's certain leasehold land and buildings of HK\$10,785,000).
- (b) The carrying amounts of the Group's borrowings approximate to their fair values.
- (c) As at 30 September 2009, all interest-bearing bank and other borrowings were denominated in Hong Kong dollars, except for a secured bank loan of HK\$2,280,000 (31 March 2009: HK\$2,280,000) which was denominated in Renminbi.

13. Convertible bonds

On 15 January 2008 and 6 May 2008, the Company issued zero coupon convertible bonds with a nominal values of HK\$1,051,326,000 (the "Tranche 1 Convertible Bonds") and HK\$292,500,000 (the "Tranche 2 Convertible Bonds"), respectively, as part of the consideration for the acquisition of the exclusive purchase right. The Tranche 1 Convertible Bonds and the Tranche 2 Convertible Bonds are convertible at the option of the bondholders into ordinary shares of Company at a conversion price of HK\$0.6 per share (the "Conversion Price"), subject to adjustment, on or before 14 January 2013 (the "Maturity Date").

The Tranche 1 Convertible Bonds and Tranche 2 Convertible Bonds are redeemable at the principal amounts on the Maturity Date if not otherwise converted or redeemed before the Maturity Date.

13. Convertible bonds *(continued)*

During the period, the Tranche 1 Convertible Bonds and the Tranche 2 Convertible Bonds of nominal values of HK\$250,000 and HK\$124,500,000, respectively, were converted by the bondholders at the Conversion Price, resulting in the issue of, in aggregate, 207,916,666 new ordinary shares of the Company.

The fair value of the liability component was estimated at the issuance date using an equivalent market interest rate for a similar bond without a conversion option. The residual amount is assigned as the equity component and is included in shareholders' equity.

The movements of the liability and equity components of convertible bonds during the period are as follows:

	Liability component of convertible bonds	Equity component of convertible bonds	Total
	HK\$'000	HK\$'000	HK\$'000
At 1 April 2009 (Audited)	295,227	139,349	434,576
Finance costs (<i>note 5</i>)	9,796	-	9,796
Partial conversion of convertible bonds during the period	(89,969)	(42,339)	(132,308)
	215,054	97,010	312,064
At 30 September 2009 (Unaudited)			
At 1 April 2008 (Audited)	680,025	346,095	1,026,120
Nominal value of convertible bonds issued during the period	192,816	99,684	292,500
Finance costs (<i>note 5</i>)	21,841	-	21,841
Partial conversion of convertible bonds during the period	(544,781)	(272,865)	(817,646)
At 30 September 2008 (Unaudited)	349,901	172,914	522,815

After the reporting period, Tranche 1 Convertible Bonds principal amount of HK\$24,000,000 were converted by bondholder, resulting in the issue of 40,000,000 new ordinary shares of the Company.

14. Share capital

	30 September 2009 (Unaudited) HK\$'000	31 March 2009 (Audited) HK\$'000
Authorised:		
10,000,000,000 (31 March 2009: 10,000,000,000) ordinary shares of HK\$0.10 each	<u>1,000,000</u>	<u>1,000,000</u>
Issued and fully paid:		
2,653,667,366 (31 March 2009: 2,083,950,700) ordinary shares of HK\$0.10 each	<u>265,367</u>	<u>208,395</u>

A summary of movements of the Company's issued and fully paid ordinary shares and share premium account is as follows:

	Notes	Number of shares in issue	Issued share capital HK\$'000	Share premium account HK\$'000	Total HK\$'000
At 1 April 2009 (Audited)		2,083,950,700	208,395	952,525	1,160,920
Issue of shares under placement	(a)	347,000,000	34,700	36,435	71,135
Share options exercised	(b)	14,800,000	1,480	296	1,776
Release of share option reserve	(c)	-	-	903	903
Conversion of convertible bonds	(d)	207,916,666	20,792	111,516	132,308
		<u>2,653,667,366</u>	<u>265,367</u>	1,101,675	1,367,042
Share issue expenses		-	-	(1,500)	(1,500)
		<u>2,653,667,366</u>	<u>265,367</u>	<u>1,100,175</u>	<u>1,365,542</u>
At 30 September 2009 (Unaudited)		<u>2,653,667,366</u>	<u>265,367</u>	<u>1,100,175</u>	<u>1,365,542</u>

14. Share capital *(continued)*

Notes:

- (a) During the period on 16 June 2009 and 9 July 2009, 170,000,000 and 177,000,000 new ordinary shares in the Company of HK\$0.1 each, respectively, were allotted and issued pursuant to two placing exercises at HK\$0.205 per share for a total cash consideration of, in aggregate, HK\$71,135,000, before share issue expenses.
- (b) During the period, subscription rights attaching to 14,800,000 share options were exercised at subscription price of HK\$0.12 per ordinary share, resulting in the issue of 14,800,000 new ordinary shares for a total consideration, net of expenses, of HK\$1,776,000.
- (c) Share option reserve of HK\$903,000 was released to the share premium account upon the exercise of 14,800,000 share options during the period.
- (d) During the period, 207,916,666 new ordinary shares in the Company of HK\$0.1 each were issued upon the conversion of Tranche 1 Convertible Bonds and Tranche 2 Convertible Bonds with nominal amounts of HK\$250,000 and HK\$124,500,000, respectively, as set out in note 13.

Share options

Details of the Company's share option scheme and the share options issued under the scheme are included in note 15 to the unaudited condensed consolidated interim financial statements.

15. Share option scheme

On 29 August 2002, a share option scheme (the "Scheme") was adopted by the shareholders of the Company. The Scheme will remain in force for 10 years from the date of adoption.

The purpose of the Scheme is to provide incentives or rewards to eligible participants for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any entity in which the Group holds any equity interest (the "Invested Entity"). Eligible participants of the Scheme include employees and directors of the Group or the Invested Entity, suppliers and customers of the Group and the Invested Entity, any person or entity that provides research, development or other technological support to the Group or the Invested Entity, and shareholders of the Group or the Invested Entity.

15. Share option scheme *(continued)*

The maximum number of shares issuable under share options currently permitted to be granted under the Scheme is 265,366,736, representing 10% of the issued shares of the Company. The maximum number of shares issuable under share options to each eligible participant within any 12-month period is limited to 1% of the shares of the Company in issue at any time. The offer of a grant of share options may be accepted within 28 days from the date of the offer upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and may commence on the date of the offer and shall end no later than 10 years from the date of the offer.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK\$5 million within any 12-month period are subject to shareholders' approval in advance in a general meeting.

The subscription price of the share options is determinable by the directors, but may not be less than the highest of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheet on the date of offer of the options; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of offer of the options; and (iii) the nominal value of the Company's shares.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

During the period on 4 May 2009, a total of 69,000,000 share options were granted to directors and certain employees of the Company. Among the total of 69,000,000 share options, 43,200,000 and 6,600,000 share options were granted to the Company's executive directors and independent non-executive directors, respectively. The share options are exercisable from 4 May 2009 to 3 May 2011 at an exercise price of HK\$0.12 per share. The share price of the Company's shares at the date of grant was HK\$0.12 per share. During the period, 14,800,000 share options were exercised. At the end of the period, 54,200,000 share options were outstanding.

15. Share option scheme *(continued)*

The fair value of the share options granted during the period was HK\$4,209,000 (HK\$0.061 each). The amount was recognised as equity-settled share option expense in the income statement at grant date, with a corresponding increase in share option reserve.

The fair value of share options granted during the period was estimated as at the date of grant, using a binomial lattice model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

	30 September 2009 (Unaudited)
Dividend yield (%)	8.33
Expected volatility (%)	129.19
Risk-free interest rate (%)	0.54
Expected life of options (year)	2.00
Weighted average share price (HK\$)	0.12

The expected life of the options is based on the contractual life of share options granted and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

16. Operating lease arrangements

The Group leased certain of its staff quarters and office premises under operating lease arrangements with leases negotiated for original terms ranging from 1 to 3 years.

At 30 September 2009, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	30 September 2009 (Unaudited) HK\$'000	31 March 2009 (Audited) HK\$'000
Within one year	2,633	2,663
In the second to fifth years, inclusive	638	1,955
	<u>3,271</u>	<u>4,618</u>

17. Related parties transactions

(a) Transactions with related parties:

		For the six months ended 30 September	
		2009	2008
		(Unaudited)	(Unaudited)
<i>Notes</i>		HK\$'000	HK\$'000
Purchase of minerals from a related company	<i>(i)</i>	–	3,105
Rental expenses to a company in which a former director of the Company is a controlling shareholder	<i>(ii)</i>	<u>677</u>	<u>677</u>

Notes:

- (i) The related company was owned as to 50% by the wife of a substantial shareholder of the Company a relative of that substantial shareholder. The transaction was carried out based on the terms agreed by the parties under a master supply agreement signed.
- (ii) The rental is charged on terms mutually agreed by the parties with reference to the prevailing market rent at the time of entering into the tenancy agreement.

The above related party transactions also constituted connected transactions under the Listing Rules.

17. Related parties transactions *(continued)*

(b) Outstanding balances with related parties:

	30 September 2009 (Unaudited) HK\$'000	31 March 2009 (Audited) HK\$'000
Amount due to directors	<u>7,500</u>	<u>4,330</u>

(c) Compensation of key management personnel of the Group:

	For the six months ended 30 September	
	2009	2008
	HK\$'000	HK\$'000
Short term employee benefits	1,806	1,983
Post-employment benefits	24	30
Equity-settled share option expense	<u>3,038</u>	<u>–</u>
Total compensation paid to key management personnel	<u>4,868</u>	<u>2,013</u>

18. Approval of unaudited condensed consolidated interim financial statements

These unaudited condensed consolidated interim financial statements were approved and authorised for issue by the board of directors on 21 December 2009.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

Revenue for this period amounted to approximately HK\$79,813,000, representing an increase of approximately 6.8% as compared to the corresponding period for the preceding year. Loss for the period attributable to ordinary equity holders of the Company amounted to approximately HK\$26,713,000, which narrowed significantly compared to corresponding figure for the 6 months ended 30 September 2008 of approximately HK\$34,169,000.

Business Review

Due to the steady increase in commodities prices and demands, the Group's revenue from mineral operation for the period sharply increased by over 200% to HK\$42,938,000 compared to that of 6 months ended 30 September 2008. By contrast, the weak European consumer market and relatively warmer weather exerted further pressure on the Group's apparel operation, resulting in a drastic decrease in revenue.

Outlook

As the global economy is gradually picking up from its bottom, the outlook of the Group's major businesses, the coal resources and nickel resources, is encouraging. The management is confident that the Group's performance from the second half of the fiscal year 2009/10 will be improved steadily with promising results.

The management's optimism attributes much to the decent increase of the prices of thermal coal, our core business, as a result of the increasing demand in Asia especially China. The quality of the coal and services that the Group delivered in the first half of the year were entirely satisfied by existing clients. Huaneng Group, the largest power plant operator in China, then increased the quantity of its long-term contract with us to a total of 1,500,000 metric tons. China Guodian Corporation, another top five power plant operator in China, also signed a long-term sales contract with us for 1,100,000 metric tons. Hence, our customer base keeps expanding.

The Group expected that its acquisition of coal mines in South Kalimantan of Indonesia is nearing completion. The mines have total mineral resources of not less than 80,000,000 metric tons. Upon completion of acquisition, the Group's coal business will be expanded from trading to a thorough operation from mining to sales. The profit potential will then be much more impressive.

As nickel price has begun to climb, the Group's business in this sector has also reactivated with shipment of nickel ore to a Chinese client in September 2009. In addition, Bel Global has reached a processing arrangement with China North Industries Group Corporation for improving the quality of nickel ore.

Looking ahead, the management is confident with the parallel operation of the two pillars of businesses, coal resources and nickel resources, in maximizing shareholders' returns.

Employees and Remuneration Policy

As at 30 September 2009, the Group employed around 360 (as at 30 September 2008: approximately 400) employees in both Hong Kong and the PRC. The Group's remuneration policies are based primarily on the prevailing market situation and labour laws and the performance of individual employees, which are subject to annual review.

Capital Expenditure

There is no material capital expenditure for business development during the period under review. Save as disclosed, there is no plan for any material investments or capital assets to be acquired.

Liquidity and Financial Resources

During the period, the Group finance operations from internal cash flows, placing of new shares and banking facilities providing by its bankers. The Group currently has aggregate composite banking facilities of approximately HK\$10,700,000. All bank borrowings were for purpose of trade-finance and working capital.

As at 30 September 2009, the Group's net current assets is approximately HK\$142,168,000 (as at 31 March 2009: HK\$82,916,000). Total cash and bank balances slightly decreased from HK\$44,882,000 to HK\$44,754,000. The net cash and bank balances increased moderately by HK\$4,372,000 over the period. Inventories decreased from HK\$36,162,000 to HK\$29,555,000. Due to seasonality of sales and purchases, trade and bills receivables increased by approximately 23.4% to become HK\$30,677,000, trade and bills payables increased by approximately 85.2% to become HK\$8,345,000.

The Group's gearing ratio at the period-end is 0.22 (as at 31 March 2009: 0.29), which was calculated based on the total liabilities of HK\$290,337,000 (as at 31 March 2009: HK\$348,499,000) and total equity of HK\$1,348,045,000 (as at 31 March 2009: HK\$1,208,649,000). With a net asset position, the financial position of the Group remains solid. The management believes that the Group is well-prepared for the current difficult economic environment, and to exploit any potential opportunities that may present themselves.

Financial Risk Management

It is our policy not to engage in speculative activities.

The Group's major transactions are primarily denominated in Hong Kong dollars, United States dollars ("US\$") and Renminbi ("RMB"). Foreign exchange exposure of the Group is considered minimal as the exchange rate of RMB and US\$ against Hong Kong dollars were relatively stable during the period. No financial instrument has been used for hedging purposes.

Payment terms with customers are mainly on letter of credits, cash on delivery and on credit terms. In order to minimize the credit risk associated with trade debtors, the Group is very cautious in granting credits. Credit terms granted vary among individual customers.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in the unaudited condensed consolidated interim financial statements, no director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company or any of its subsidiaries and fellow subsidiaries was a party during the period.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 30 September 2009, the interests and short positions of the directors in the share capital of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

(i) Long positions in ordinary shares of the Company:

Name of director	Number of shares held, capacity and nature of interest		Total	Percentage to the Company's issued share capital
	Directly beneficially owned	Through controlled corporation		
Sy Chin Mong, Stephen	7,406,000	331,056,600	338,462,600	12.75%
Ho Wai Chi, Paul	2,200,000	–	2,200,000	0.08%
Hsu Hsung, Adolf	700,000	–	700,000	0.03%

(ii) Long positions in the underlying shares of convertible bonds of the Company:

Name of director	Principal amount of convertible bonds HK\$	Number of underlying shares held	Percentage to the Company's issued share capital
Sy Chin Mong, Stephen (note)	256,651,000	427,751,666	16.12%

Note: As at 30 September 2009, convertible bonds in principal amount of HK\$256,651,000 was held by Elite Dragon Limited, a company owned as to 100% by Bel Trade Investment Holdings Ltd., which in turn is wholly owned by Dr. Sy Chin Mong, Stephen.

(iii) Long positions in share options relating to ordinary shares of the Company:

Name of director	At 1 April 2009	Number of share options			At 30 September 2009	Date of grant of share options (dd.mm.yyyy)	Total consideration paid for share options HK\$	Exercise period of share options (both days inclusive) (dd.mm.yyyy)	Exercise price of share options* HK\$ per share	Price of ordinary share** at date immediately before grant HK\$ per share	Price of ordinary shares** immediately before the exercise date HK\$ per share
		Granted during the period	Exercised during the period	Cancelled/lapsed during the period							
Sy Chin Mong, Stephen	-	2,200,000	-	-	2,200,000	04.05.2009	1	04.05.2009 to 03.05.2011	0.12	0.11	-
Sy Lai Yin, Sunny	-	15,000,000	-	-	15,000,000	04.05.2009	1	04.05.2009 to 03.05.2011	0.12	0.11	-
Sze Shan Shan, Pat	-	15,000,000	-	-	15,000,000	04.05.2009	1	04.05.2009 to 03.05.2011	0.12	0.11	-
Li Wing Tak	-	11,000,000	-	-	11,000,000	04.05.2009	1	04.05.2009 to 03.05.2011	0.12	0.11	-
Hsu Hsung, Adolf	-	2,200,000	(2,200,000)	-	-	04.05.2009	1	04.05.2009 to 03.05.2011	0.12	0.11	0.245
Ho Wai Chi, Paul	-	2,200,000	(2,200,000)	-	-	04.05.2009	1	04.05.2009 to 03.05.2011	0.12	0.11	0.245
Chang Soo-Kong	-	2,200,000	-	-	2,200,000	04.05.2009	1	04.05.2009 to 03.05.2011	0.12	0.11	-

Notes:

* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

** The price of the Company's ordinary share disclosed as "at date immediately before date of grant" of the share options is the closing price on the Stock Exchange on the business day prior to which the options were granted.

The price of the Company's ordinary share disclosed as "immediately before the exercise date" of the share options is the weighted average of the Stock Exchange closing prices immediately before the dates on which the options were exercised by each of the Directors or all other participants as an aggregate whole.

Save as disclosed above, as at 30 September 2009, none of the directors and chief executive and their associates had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations 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 section "Directors' interests and short positions in shares and underlying shares, at no time during the period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries and fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES

At 30 September 2009, so far as is known to the directors of the Company, the following persons (other than the interests disclosed in the section "Directors' interests and short positions in shares and underlying shares") had interests of 5% or more 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:

(1) Long positions in ordinary shares of the Company:

Name	Capacity and nature of interest	Number of shares held	Percentage of the Company's issued share capital
Elite Dragon Limited (note)	Directly beneficially owned	331,056,600	12.48%
Shiyong Finance Limited	Directly beneficially owned	300,000,000	11.31%
Wang Shui-Chung, Patrick	Directly beneficially owned	158,898,000	5.99%

Note: Elite Dragon Limited is a company owned as to 100% by Bel Trade Investment Holdings Ltd., which in turn is wholly owned by Dr. Sy Chin Mong, Stephen, the Chairman and Chief Executive Officer of the Company. Dr. Sy is the father of Mr. Sy Lai Yin, Sunny, an executive director of the Company.

(2) Long positions in the underlying shares of convertible bonds of the Company:

Name	Principal amount of convertible bonds	Number of underlying shares held	Percentage to the Company's issued share capital
Elite Dragon Limited (<i>note</i>)	256,651,000	427,751,666	16.12%

Note: As at 30 September 2009, Elite Dragon Limited was the holder of convertible bonds in the principal amount of HK\$256,651,000, which could be converted upon exercise, into shares of the Company at HK\$0.6 per share, by no later than 4:00 p.m. on 14 January 2013. This constituted a long position in physically settled equity derivatives under the SFO.

Save as disclosed above, as at 30 September 2009, no person, other than the directors of the Company, whose interests are set out in the section headed "Directors' interests and short positions in shares" above, known to the directors of the Company had an interest or short position in the shares or underlying shares which would fall to be disclosed to the company under the provisions 2 and 3 of Part XV of the SFO or which are recorded in the register kept by the Company pursuant to Section 336 of the SFO.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

CORPORATE GOVERNANCE REPORT

The Company has complied with all the Code Provisions set out in Appendix 14 Code on Corporate Governance Practices (the "Code") of the Listing Rules throughout the period ended 30 September 2009, except for the following deviation:

Code Provision A.2.1

This code provision stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. Currently and throughout the period ended 30 September 2009, the roles of both the Chairman and the Chief Executive Officer of the Company are performed by the same individual. The Board believes that this structure enables the Company to make and implement decisions promptly and efficiently. As such, it is beneficial to the business prospects and management of the Company.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its own code of conduct regarding securities transactions by Directors of the Group on terms no less exacting than the Model Code contained in Appendix 10 of the Listing Rules. Having made specific enquiry of all directors of the Company, the directors confirmed that they have complied with the required standard as set out in the Model Code throughout the period ended 30 September 2009.

AUDIT COMMITTEE

The audit committee comprises the 3 independent non-executive directors of the Company. The principal duties of the Audit Committee include the review and supervision of the Group's financial reporting system and internal control procedures, review of the Group's financial information and maintaining an appropriate/review of the relationship with the auditors of the Company. The Audit Committee has reviewed the Company's unaudited interim report for the period ended 30 September 2009.

REMUNERATION COMMITTEE

The Remuneration Committee comprises 2 of the independent non-executive directors, namely, Mr. Hsu Hsung, Adolf, and Mr. Ho Wai Chi, Paul and an executive director, Dr. Sy Chin Mong, Stephen (Chairman of the Remuneration Committee) of the Company.

The principal responsibilities of the Remuneration Committee include making recommendations to the board of directors of the Company on the Company's policy and structure for all remuneration of directors and senior management of the Company and on the establishment of a formal and transparent procedure for developing such policy, and reviewing the specific remuneration packages of all executive directors and senior management of the Company by reference to corporate goals and objectives resolved by the board of directors of the Company from time to time.

NOMINATION COMMITTEE

The Nomination Committee comprises 2 of the independent non-executive directors, namely, Mr. Hsu Hsung, Adolf, and Dr. Chang Soo-Kong and an executive director, Dr. Sy Chin Mong, Stephen (Chairman of the Nomination Committee) of the Company.

The principal responsibilities of the Nomination Committee include making recommendations to the Board on relevant matters relating to the appointment or reappointment of directors and succession planning for directors, and reviewing the structure, size and composition of the Board on a regular basis and make recommendations to the Board regarding any proposed changes.

DIRECTORS OF THE COMPANY

As at the date of this report, the executive directors of the Company are Dr. Sy Chin Mong, Stephen, Mr. Sy Lai Yin, Sunny, Ms. Sze Shan Shan, Pat and Mr. Li Wing Tak, and the independent non-executive directors of the Company are Mr. Hsu Hsung, Adolf, Dr. Chang Soo-Kong and Mr. Ho Wai Chi, Paul.

APPRECIATION

On behalf of the Board, I wish to express my gratitude to our management team and staff members for their hard work and dedication as well as the supports from our customers and suppliers throughout the period.

On behalf of the Board

Sy Chin Mong, Stephen

Chairman and Chief Executive Officer

Hong Kong, 21 December 2009