金榜集團控股有限公司

GOLDBOND GROUP HOLDINGS LIMITED

Stock Code: 00172

Interim Report 2011/12

BOARD OF DIRECTORS

Executive Directors

Mr. Wang Jun *(Chairman)*
Mr. Wong Yu Lung, Charles
(Deputy Chairman)
Mr. Ding Chung Keung, Vincent
(Chief Executive Officer)
Mr. Kee Wah Sze
Mr. Xie Xiao Qing
Ms. Wong, Michelle Yatyee

Independent non-executive Directors

Mr. Ma Ho Fai SBS JP
Mr. Melvin Jitsumi Shiraki
Mr. Cheng Yuk Wo

AUDIT COMMITTEE

Mr. Cheng Yuk Wo *(Chairman)*
Mr. Ma Ho Fai SBS JP
Mr. Melvin Jitsumi Shiraki

REMUNERATION COMMITTEE

Mr. Cheng Yuk Wo *(Chairman)*
Mr. Ma Ho Fai SBS JP
Mr. Kee Wah Sze

SECRETARY

Ms. Li Yu Lian, Kelly

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants

REGISTERED OFFICE

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89 Queensway
Hong Kong

SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-16
17th Floor
Hopewell Centre
183 Queen's Road East
Hong Kong

LEGAL ADVISER

Iu, Lai & Li

PRINCIPAL BANKERS

Bank of Communications Co., Ltd.
China Construction Bank (Asia) Corporation Limited
CITIC Bank International Limited
Hang Seng Bank Limited
The Hongkong and Shanghai Banking
Corporation Limited

WEBSITES

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

STOCK CODE

00172

Goldbond Group Holdings Limited (the "Company") and its subsidiaries (the "Group") marked an important milestone during the first half year of 2011/12. Since the provision of financial services is a capital intensive business, the Company, on 29 August 2011, announced the conditional introduction (the "Introduction") of a strategic investor, Hony Capital Fund 2008, L.P. ("Hony"), to Rongzhong Group Limited ("Rongzhong"), a 71% owned subsidiary prior to completion of the Introduction engaging in the provision of various licensed financial services in the People's Republic of China ("China"), to enhance its capital bases for further business operation development. The total investment amount made by Hony was approximately US$154.8 million which was applied as follows:

(1) US$90 million for subscription of new shares of Rongzhong;

(2) US$20 million for subscription of new shares of Rongzhong Capital Holdings Limited ("Rongzhong Capital"), a wholly owned subsidiary of Rongzhong prior to completion of the Introduction; and

(3) Approximately US$39.2 million and approximately US$5.6 million for acquisition of existing shares of Rongzhong owned by the Group and Yong Hua International Limited ("Yonghua"), a company wholly owned by a director of the Company, respectively.

To facilitate the Introduction, Rongzhong and its subsidiaries (collectively "Rongzhong Group") had completed a reorganization (the "Reorganization") involving, among others, (1) the spinoff of Rongzhong Capital and its subsidiaries (collectively "Rongzhong Financial Leasing Group"), which mainly engages in the provision of financial leasing and related services in China, from Rongzhong Group ("New Rongzhong Group"), which then mainly provides bridge financing services, loan guarantee services, financial consulting and management services in China, and (2) the capitalization of shareholder's loan of HK$156 million by Rongzhong Capital.

Following the completion of the Reorganization and the Introduction on 26 October 2011 (the "Completion Date"), Rongzhong Capital is now owned as to 50.055% by the Group, 29.5% by Hony and an aggregate of 20.445% by other non-controlling interest, including Yonghua, and continues to be a subsidiary of the Group, while Rongzhong is owned as to 40% by the Group, 40% by Hony and an aggregate of 20% by other non-controlling interest, including Yonghua, and is now an associated company of the Group. As a result, in the Group's consolidated financial statements, the financial position and operating results of Rongzhong Financial Leasing Group continue to be consolidated while those of New Rongzhong Group were deconsolidated and are accounted for based on equity method. For this six months ended 30 September 2011 (the "Period"), New Rongzhong Group and its business operations have been classified as disposal group and discontinued operations, respectively, in this interim report in accordance with Hong Kong Financial Reporting Standard 5.

As set out in the Company's circular dated 23 September 2011 (the "Circular") and assuming the completion of the Introduction took place on 31 March 2011, based on the unaudited pro forma financial information of the Group as at 31 March 2011, the Group would recognize a gain on disposal of approximately HK$552,000,000 and the consolidated net asset value of the Group would increase from HK$0.53 per share to HK$0.74 per share. However, the actual gain or loss on the Introduction to the Group and the actual consolidated net asset value of the Group per share upon the completion of the Introduction may be different from the amounts indicated above, as the actual gain or loss and the actual consolidated net asset value of the Group per share would depend on, among others, the actual net asset value of New Rongzhong Group on the Completion Date.

RESULTS AND DIVIDEND

The total revenue of the Group for the Period, including both continuing operations and discontinued operations, amounted to approximately HK$166,220,000 (corresponding period in 2010: HK$143,473,000), representing an increase of 16%. Such increase was mainly attributable to the growth of financial leasing business by approximately HK$23,664,000.

As a result of the Introduction, the Group reported a loss from continuing operations of approximately HK$23,946,000 (corresponding period in 2010: loss of HK$21,910,000) for the Period. Such loss was mainly due to the classification of New Rongzhong Group's operating results as discontinued operations although the Group still owned 71% equity interest in Rongzhong Group throughout the Period. Also, interest on the current revolving working capital loan facility of HK$900,000,000 granted by the Group to Rongzhong in the amount of approximately HK$32,296,000 (corresponding period in 2010: HK$33,694,000) was not recognized as revenue accordingly for the Period. However, after completion of the Introduction, interest income on this loan facility to Rongzhong will be recognized as revenue of the Group and the operating results of the Group's continuing operations will be improved significantly.

Profit for the Period attributable to the owners of the Company was approximately HK$27,509,000 (corresponding period in 2010: HK$33,973,000), representing a decrease of 19%. The decrease was mainly due to the drop in interest income from financing a property development project in Zhuhai ("Zhuhai Project") by approximately HK$4,864,000. Since the borrowers of the Zhuhai Project failed to repay the outstanding loan amount on the agreed loan maturity date, the Group did not recognize any income from this Zhuhai Project for the Period and initiated legal action for debt recovery in October 2011.

Since the Group's functional currency is Renminbi ("RMB") which has appreciated significantly during the Period, a net attributable exchange loss of approximately HK$12,558,000 on non-RMB denominated net assets, mainly short term bank deposits, bank balances and cash in Hong Kong dollar and United States dollar, was charged to the profit for the Period. Together with the equity-settled share based payment of HK$3,550,000, the total major non cash expenditure charged to the profit for the Period attributable to the owners of the Company was approximately HK$16,108,000. Excluding these two major non cash expenses, the profit for the Period attributable to the owners of the Company should be approximately HK$43,617,000 and the details are set out below:

	1 April 2011 to 30 September 2011 HK$'000	1 April 2010 to 30 September 2010 HK$'000
Profit attributable to owners of the Company	**27,509**	33,973
Add: Major non cash expenses:		
Attributable exchange loss on non-RMB denominated net assets	**12,558**	10,277
Equity-settled share based payment	**3,550**	6,329
Adjusted profit attributable to owners of the Company	**43,617**	50,579

Total comprehensive income attributable to the owners of the Company for the Period was approximately HK$76,442,000 (corresponding period in 2010: HK$62,003,000), representing an increase of 23%. Such increase was mainly due to the net attributable exchange gain of approximately HK$48,933,000 (corresponding period in 2010: HK$28,030,000) recognized as other comprehensive income resulting from the translation of all assets and liabilities from RMB into Hong Kong dollar (the Group's presentation currency) as at 30 September 2011 in accordance with the Hong Kong Accounting Standard 21.

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend in respect of the results for the Period (corresponding period in 2010: nil).

BUSINESS REVIEW

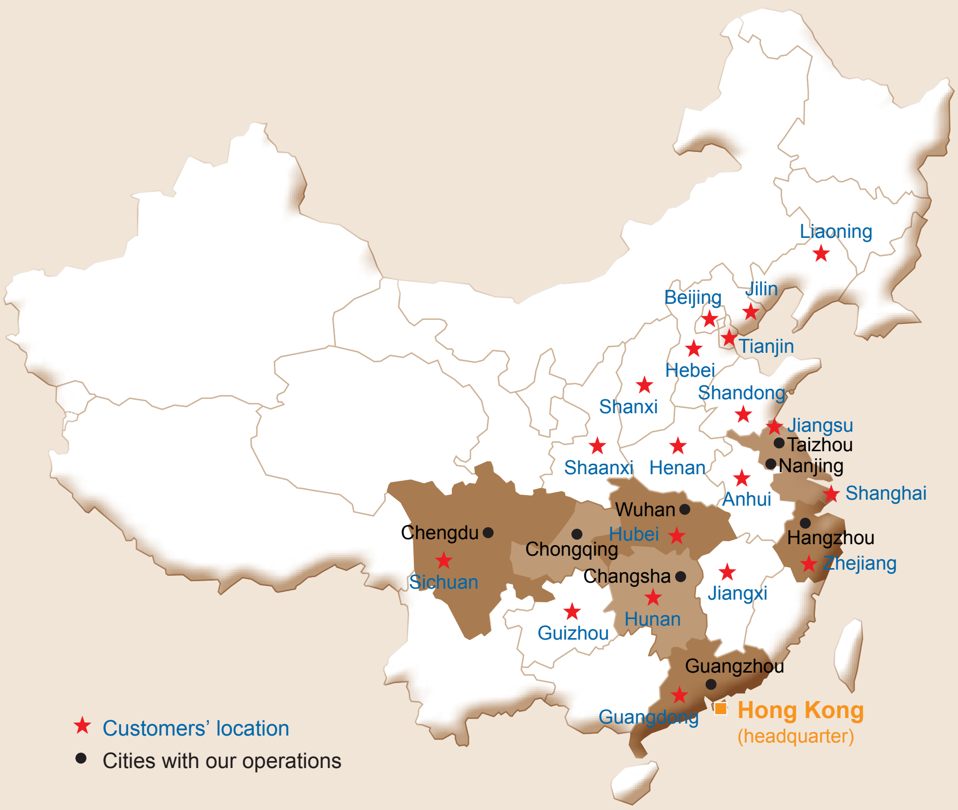
During the Period, the Group was engaged in the provision of non-bank financial services, mainly comprising financing, financial leasing and loan guarantee services, to high quality small-to-medium enterprises ("SMEs"), high net-worth individuals and retail customers through more than 20 operating offices in China. These offices are mainly located in Chongqing, Guangdong, Hubei, Hunan, Jiangsu, Sichuan and Zhejiang to serve customers in their respective regions covering all business services offered by the Group. Apart from the Zhuhai Project executed by a wholly owned subsidiary, the Group carried out all these business activities in China through New Rongzhong Group and Rongzhong Financial Leasing Group.

As aforementioned, the principal business of the Group is now the provision of financial leasing and financing services which are classified as continuing operations of the Group whereas New Rongzhong Group is classified as the disposal group of the Group in this interim report in accordance with Hong Kong Financial Reporting Standard 5. Their respective performances for the Period are analyzed below:

Continuing Operations

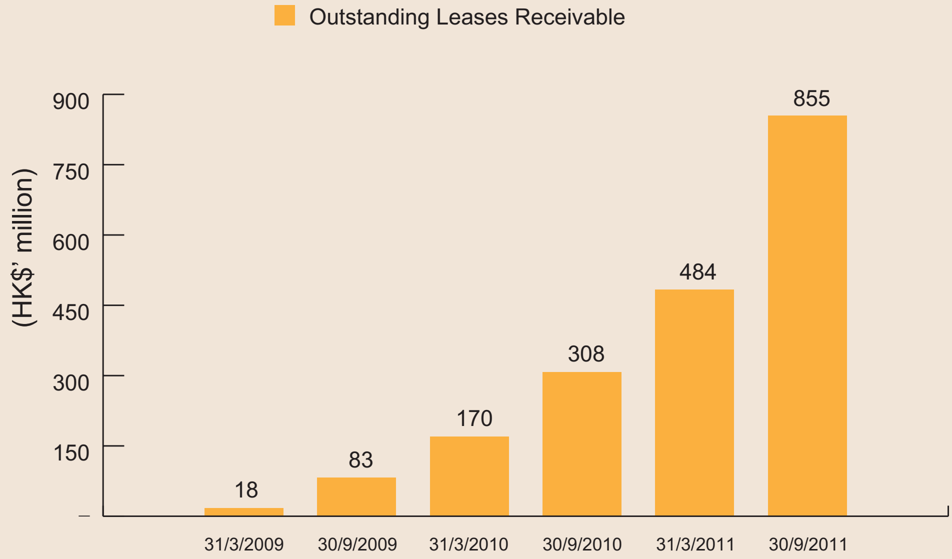
Financial Leasing

The Group offers medium to long term financial leasing service through Rongzhong International Financial Leasing Co., Ltd. ("Rongzhong Leasing"), a wholly owned subsidiary of Rongzhong Capital. Established in Wuhan under the wholly-foreign owned leasing license issued by the Ministry of Commerce of China, Rongzhong Leasing commenced business operation in late 2008 offering a wide range of leasing services, such as direct leasing, sales and leaseback, leveraged leasing and lease with manufacturer's buy-back undertaking, etc., to SMEs, the target customer group, across the country.



The current customer base spans over various provinces and cities in China, including: Anhui, Beijing, Guangdong, Guizhou, Hebei, Henan, Hubei, Hunan, Jiangsu, Jiangxi, Jilin, Liaoning, Shaanxi, Shandong, Shanghai, Shanxi, Sichuan, Tianjin and Zhejiang.

Since the commencement of financial leasing business in 2008, the Group has achieved significant growth over these years. The total carrying value of finance leases receivable as at 30 September 2011 reached approximately HK$855,045,000 (31 March 2011: HK$484,176,000), representing an increase of 77% over the last six months. It also represented approximately 47 times of such carrying value as at 31 March 2009, the first financial year end of Rongzhong Financial Leasing Group, after 30 months of operation.



Over the Period, this portfolio contributed a total revenue of approximately HK$37,535,000 (corresponding period in 2010: HK$13,871,000), representing an increase of 171%. While the financial leasing business is currently going through a strong growth stage, the ability to maintain healthy asset quality is always of vital importance to the success of doing this business. As at 30 September 2011, there was no record of any 30 days overdue or non-performing assets.

As at 30 September 2011, the total registered capital of Rongzhong Leasing was US$20 million. Following the completion of the Introduction, the Group is planning to strengthen the capital base of Rongzhong Leasing by further injecting approximately US$20 million into its registered capital to fuel the long term growth.

Given the strong market demand of financial leasing service in China, the superb business network and the industry relationship of the Group, Rongzhong Leasing will continue expanding its services to all quality customers in China and is now the major and stable income provider to the Group.

Financing

As at 30 September 2011, the Group had two outstanding financing deals, namely (1) a revolving working capital loan facility of HK$900,000,000 offered to Rongzhong; and (2) two term loans related to the Zhuhai Project.

Since late 2004, the Group has continuously provided financing facilities to Rongzhong to support its business growth. The latest facility offered by the Group to Rongzhong prior to the Completion Date was a 3 years revolving working capital loan facility of HK$900,000,000 bearing an interest rate of 10% per annum and repayable in full by May 2013. As at 30 September 2011, the outstanding loan amount was approximately HK$661,000,000 (31 March 2011: HK$627,000,000).

As part of the Reorganization, Rongzhong settled part of this outstanding loan in an amount of HK$156,000,000 by an assignment of the same amount due from Rongzhong Capital to the Group. The Group then re-assigned an aggregate sum of HK$45,240,000, representing 29% of HK$156,000,000, due from Rongzhong Capital to each of the non-controlling interest of Rongzhong Capital in proportion to their respective interest in Rongzhong Capital. After that, Rongzhong Capital capitalized the amount due to shareholders of approximately HK$156,000,000 by allotment and issuance of its new shares to the Group and the non-controlling interest in proportion to the shareholding percentage of 71% and an aggregate of 29%, respectively. All these assignments and shares allotment and issuance were completed on the Completion Date.

In addition, as a term of the Introduction, the Group, on the Completion Date, entered into a supplemental deed pursuant to which the Group has agreed to, among others, extend the repayment date of part of this outstanding loan in the sum of HK$444,000,000 to the day falling 36 months after the Completion Date and reduce the interest rate in respect of this HK$444,000,000 loan from 10% per annum to 5% per annum. The repayment date and interest rate in respect of the remaining outstanding loan amount of approximately HK$61,000,000 under the abovementioned facility remain unchanged.

As at 30 September 2011, the total outstanding loan receivable related to the Zhuhai Project amounted to approximately HK$60,782,000 (31 March 2011: HK$62,146,000). During the Period, although the Group had received partial settlement of approximately HK$3,550,000, no income relating to this Zhuhai Project was recognized (corresponding period in 2010: HK$4,864,000) as the borrowers failed to repay the total outstanding amount in full on the agreed loan maturity date. In October 2011, the Group initiated legal action for debt recovery.

Disposal Group

New Rongzhong Group

The Group began its investment in Rongzhong Group in late 2004 by the subscription of 40% shares in Rongzhong. Since then, Rongzhong Group has developed into a large nationwide financial service provider headquartered in Wuhan and the Group's investment in Rongzhong had also been increased to 71% by 2007. Upon completion of the Reorganization and the Introduction, the Group still owns 40% equity interest of New Rongzhong Group which mainly focuses on financing and loan guarantee businesses.

New Rongzhong Group first launched the financing service in Wuhan, China, in April 2006, and subsequently extended its service to customers in Chongqing, Chengdu, Guangzhou, Hangzhou, Jiangsu, Nanjing and Taizhou. It aims to provide short term financing solutions mainly to SMEs and offers various types of financing service, consisting of the provision of bridging loans for application or renewal of banking facilities, deposits for tender bidding, financing for management buyout, acquisition, disposal, and trust scheme establishment. As at 30 September 2011, the gross outstanding advances to customers amounted to approximately HK$1,192,158,000 (31 March 2011: HK$1,034,654,000), representing a growth of 15%.

Partnering with more than 20 banks in China, New Rongzhong Group currently provides loan guarantee service in seven cities of China, namely Changsha, Chengdu, Chongqing, Guangzhou, Hangzhou, Nanjing and Wuhan. This loan guarantee service is offered to individuals and SMEs to secure their bank loans which are mainly (1) working capital loans; (2) motor vehicle loans and (3) real estate properties loans. With around 10 years of operation, New Rongzhong Group has developed strong and cohesive business relationship with SMEs and banks, which is vital to succeed in doing the financial service business. Since the Group first invested in Rongzhong Group in 2004, Rongzhong Group has guaranteed more than RMB16 billion bank loans in which approximately RMB2 billion remained outstanding as at 30 September 2011.

Over the Period, New Rongzhong Group reported an operating profit of approximately HK$65,378,000 (corresponding period in 2010: HK$67,845,000), representing a small drop of 4%. As at 30 September 2011, the total assets and liabilities of New Rongzhong Group amounted to approximately HK$1,829,934,000 and HK$508,924,000, respectively. As a result of the Introduction, these financial results and position have been separately shown in the Group's condensed consolidated statement of comprehensive income as discontinued operation and in the Group's condensed consolidated statement of financial position as assets and liabilities associated with assets classified as held for sale, respectively, in this interim report. Since the Completion Date, the financial results and position of New Rongzhong Group have been accounted for by equity method in the consolidated financial statements of the Group.

OUTLOOK

SMEs are China's most dynamic part of China's enterprises. The exploration and innovation of SMEs will generate an enormous market power, thus providing huge room of development for financing, loan guarantee and financial leasing industries in the long run.

With the new fund raised, the Group and New Rongzhong Group are eager to carry out a comprehensive business expansion plan to enlarge their footprints in China. However, the current unstable economic conditions, such as sovereign debt crisis in some European countries, weak economic growth in some developed countries, the shrinking market liquidity and the breakout of regional financial crisis caused by illegal lending market in China, have raised uncertainties. Since the financing problems of SMEs in China have attracted increasing attention and there are increasing needs for financial service institutions with brand influence and overall strength to support the long-term growth of SMEs, the Group, together with New Rongzhong Group, will implement the business expansion plan in a progressive and cautious way so as to provide better and more comprehensive financing and intelligence services for SMEs.

FINANCIAL REVIEW

Financial Resources and Capital Structure

The Group always maintains healthy cash position and sufficient capital for business development. As at 30 September 2011, the aggregate sum of cash, bank balances and short term bank deposits amounted to approximately HK$341,154,000 (31 March 2011: HK$443,235,000), including an amount of approximately HK$38,055,000 attributable to New Rongzhong Group. The working capital (current assets less current liabilities) and the total equity of the Group were approximately HK$1,623,103,000 (31 March 2011: HK$1,416,795,000) and approximately HK$1,658,021,000 (31 March 2011: HK$1,614,525,000) respectively.

All bank borrowings of the Group were granted by banks in China and are denominated in RMB bearing variable interest with reference to the rate offered by the People's Bank of China. As at 30 September 2011, the total bank borrowing of the Group was approximately HK$855,694,000 (31 March 2011: HK$502,641,000) in which approximately HK$732,237,000 (31 March 2011: HK$383,593,000) was solely for the development of financial leasing business and approximately HK$123,457,000 (31 March 2011: HK$119,048,000) was associated with New Rongzhong Group. The bank borrowing of approximately HK$417,028,000 (31 March 2011: HK$248,016,000), including approximately HK$123,457,000 (31 March 2011: HK$119,048,000) associated with New Rongzhong Group, would be repayable within one year while the remaining bank borrowing of approximately HK$438,666,000 (31 March 2011: HK$254,625,000) would be due after one year.

For bank borrowing relating to financial leasing business, the Group has transferred most interest rate risk exposure to customers by allowing adjustment to the amount of leases receivable with reference to the change in market interest rates. Apart from this, the Group has not used any derivative to hedge against other interest rate risk exposure.

Liquidity and Gearing Ratio

The Group's healthy liquidity position is shown by the current ratio maintained throughout the Period. As at 30 September 2011, the current ratio (current assets/current liabilities) of the Group was about 2.79 times (31 March 2011: 3.15 times). As the economic environment in China is rather uncertain in the short run, it is the Group's intention to maintain a moderate level of gearing ratio. As at 30 September 2011, the debt-to-equity ratio (total bank borrowing/total equity) of the Group was about 51.6% (31 March 2011: 31.1%) while the net debt position was about 31.0% (31 March 2011: 11.2%) after considering the cash position maintained by the Group.

Charges on Group Assets

As at 30 September 2011, the bank borrowings of the Group were secured by the following:

(a) a charge over the Group's and the non-controlling shareholders' indirect interests in Rongzhong Capital Investments Group Limited# (融眾資本投資集團有限公司); and

(b) certain finance leases receivable of the Group with an aggregate carrying value of approximately HK$723,701,000 (31 March 2011: HK$252,555,000).

As at 30 September 2011, the banking facilities granted to the Group by banks in China were secured by the security deposits in an aggregate amount of approximately HK$224,318,000 (31 March 2011: HK$200,947,000), in which approximately HK$9,590,000 was related to financial leasing business and approximately HK$214,728,000 was associated with New Rongzhong Group.

Exposure to Fluctuations in Exchange Rates

The Group reports its operating results in Hong Kong dollar but major operations of the Group are carried out in China, transacted and recorded in RMB with some monetary assets and liabilities denominated in other foreign currency. The Group is, thus, exposed to the fluctuation in exchange rates between RMB, Hong Kong dollar and other currencies. The Group has taken in place effective measures and monitored the foreign currency movement closely. At present, no derivative instrument is used by the Group to hedge against any exchange rate risk exposure.

CONTINGENT LIABILITIES

As at 30 September 2011, the Group had contingent liabilities in relation to loan guarantee business solely conducted by New Rongzhong Group of approximately HK$2,744,002,000 (31 March 2011: HK$3,253,100,000) in which approximately HK$8,000,000 (31 March 2011: HK$8,797,000) were recognised in the condensed consolidated statement of financial position as liabilities.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2011, the Group had approximately 390 staff located in both Hong Kong and China. The Group remunerates these employees based on their performance, experience and prevailing industry practices. Other benefits offered to these employees include medical insurance, retirement scheme and training subsidies. In addition, the Group has set up a share option scheme for the purpose of providing incentives to the eligible employees.

For identification purpose only

Deloitte.
德勤

TO THE BOARD OF DIRECTORS OF GOLDBOND GROUP HOLDINGS LIMITED

Introduction

We have reviewed the interim financial information set out on pages 10 to 30, which comprises the condensed consolidated statement of financial position of Goldbond Group Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") as of 30 September 2011 and the related condensed consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended and certain explanatory notes. The Main Board Listing Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and the Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
28 November 2011

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2011

	Notes	1.4.2011 to 30.9.2011 HK$'000 (Unaudited)	1.4.2010 to 30.9.2010 HK$'000 (Unaudited)
Continuing operations			
Revenue	3	**37,535**	19,956
Other income		**2,009**	1,070
Staff costs		**(9,635)**	(12,024)
Other operating expenses		**(28,526)**	(21,519)
Direct finance costs		**(21,819)**	(7,247)
Other finance costs		**(174)**	(151)
Loss before taxation	4	**(20,610)**	(19,915)
Taxation	5	**(3,336)**	(1,995)
Loss for the period from continuing operations		**(23,946)**	(21,910)
Discontinued operations			
Profit for the period from discontinued operations	6	**65,378**	67,845
Profit for the period		**41,432**	45,935
Other comprehensive income			
Exchange differences arising on translation		**54,916**	30,251
Total comprehensive income for the period		**96,348**	76,186
Profit for the period attributable to:			
Owners of the Company		**27,509**	33,973
Non-controlling interests		**13,923**	11,962
		41,432	45,935
Total comprehensive income for the period attributable to:			
Owners of the Company		**76,442**	62,003
Non-controlling interests		**19,906**	14,183
		96,348	76,186
Earnings (loss) per share	8		
From continuing and discontinued operations			
– Basic and diluted		**1.00 cents**	1.24 cents
From continuing operations			
– Basic and diluted		**(0.69) cents**	(0.51) cents

Condensed Consolidated Statement of Financial Position

At 30 September 2011

	Notes	30.9.2011 HK$'000 (Unaudited)	31.3.2011 HK$'000 (Audited)
Non-current assets			
Equipment	9	**1,577**	6,751
Interest in an associate		**–**	59,295
Goodwill		**–**	103,686
Intangible assets		**–**	1,315
Finance leases receivable	10	**538,345**	309,786
Club debentures		**18,179**	17,529
		558,101	498,362
Current assets			
Properties held for sale		**–**	9,536
Amount due from an associate		**–**	12,417
Loans receivable	11	**60,782**	62,146
Accounts receivable and advances provided to customers	12	**2,128**	1,163,463
Finance leases receivable	10	**316,700**	174,390
Prepayments and deposits		**6,790**	8,950
Security deposits	13	**9,590**	200,947
Short term bank deposits			
– with original maturity within three months		**228,134**	164,799
– with original maturity more than three months		**–**	122,050
Bank balances and cash		**74,965**	156,386
		699,089	2,075,084
Assets classified as held for sale	6	**1,829,934**	–
		2,529,023	2,075,084
Current liabilities			
Other payables and accrued charges		**79,016**	128,278
Deposits from loan guarantee customers		**–**	193,440
Deposits from finance lease customers	10	**18,705**	1,666
Deferred income		**3,308**	35,146
Taxation		**2,396**	42,946
Bank borrowings – amount due within one year	14	**293,571**	248,016
Liabilities arising from loan guarantee contracts	15	**–**	8,797
		396,996	658,289
Liabilities associated with assets classified as held for sale	6	**508,924**	–
		905,920	658,289
Net current assets		**1,623,103**	1,416,795
Total assets less current liabilities		**2,181,204**	1,915,157

Condensed Consolidated Statement of Financial Position

At 30 September 2011

	Notes	30.9.2011 HK$'000 (Unaudited)	31.3.2011 HK$'000 (Audited)
Capital and reserves			
Share capital		**276,056**	276,056
Reserves		**1,209,196**	1,184,415
Equity attributable to owners of the Company		**1,485,252**	1,460,471
Non-controlling interests		**172,769**	154,054
Total equity		**1,658,021**	1,614,525
Non-current liabilities			
Deposits from finance lease customers	10	**69,400**	17,881
Deferred income		**12,543**	12,842
Bank borrowings – amount due after one year	14	**438,666**	254,625
Redeemable convertible preference shares	16	**2,574**	2,400
Deferred taxation		**–**	12,884
		523,183	300,632
		2,181,204	1,915,157

	Attributable to owners of the Company										
	Share capital	Share premium	Revaluation reserve	Employee share-based compensation reserve	General reserve	Statutory surplus reserve	Translation reserve	Retained profits	Sub-total	Attributable to non-controlling interest	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000 (Note)	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2010 (audited)	274,456	547,800	3,000	36,779	6,000	10,885	43,722	442,652	1,365,294	121,482	1,486,776
Exchange differences arising on translation	–	–	–	–	–	–	72,411	–	72,411	7,014	79,425
Profit for the year	–	–	–	–	–	–	–	64,661	64,661	26,749	91,410
Total comprehensive income for the year	–	–	–	–	–	–	72,411	64,661	137,072	33,763	170,835
Sub-total	274,456	547,800	3,000	36,779	6,000	10,885	116,133	507,313	1,502,366	155,245	1,657,611
Dividends recognised as distribution (Note 7)	–	–	–	–	–	–	–	(54,891)	(54,891)	–	(54,891)
Issue of shares upon exercise of share options	1,600	2,496	–	–	–	–	–	–	4,096	–	4,096
Exercise of share options	–	2,292	–	(2,292)	–	–	–	–	–	–	–
Expenses incurred in connection with issue of shares	–	(7)	–	–	–	–	–	–	(7)	–	(7)
Recognition of equity-settled share-based payments	–	–	–	8,907	–	–	–	–	8,907	–	8,907
Transferred to statutory surplus reserve	–	–	–	–	–	1,998	–	(1,998)	–	–	–
Acquisition of additional interest in a subsidiary	–	–	–	–	–	–	–	–	–	(1,191)	(1,191)
At 31 March 2011 (audited)	276,056	552,581	3,000	43,394	6,000	12,883	116,133	450,424	1,460,471	154,054	1,614,525
Exchange differences arising on translation	–	–	–	–	–	–	48,933	–	48,933	5,983	54,916
Profit for the period	–	–	–	–	–	–	–	27,509	27,509	13,923	41,432
Total comprehensive income for the period	–	–	–	–	–	–	48,933	27,509	76,442	19,906	96,348
Sub-total	276,056	552,581	3,000	43,394	6,000	12,883	165,066	477,933	1,536,913	173,960	1,710,873
Dividends recognised as distribution (Note 7)	–	–	–	–	–	–	–	(55,211)	(55,211)	–	(55,211)
Recognition of equity-settled share-based payments	–	–	–	3,550	–	–	–	–	3,550	–	3,550
Acquisition of additional interest in a subsidiary	–	–	–	–	–	–	–	–	–	(1,191)	(1,191)
At 30 September 2011 (unaudited)	276,056	552,581	3,000	46,944	6,000	12,883	165,066	422,722	1,485,252	172,769	1,658,021

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2011

	Attributable to owners of the Company										
	Share capital HK$'000	Share premium HK$'000	Revaluation reserve HK$'000	Employee share-based compensation reserve HK$'000	General reserve HK$'000	Statutory surplus reserve HK$'000 (Note)	Translation reserve HK$'000	Retained profits HK$'000	Sub-total HK$'000	Attributable to non-controlling interest HK$'000	Total HK$'000
At 1 April 2010 (audited)	274,456	547,800	3,000	36,779	6,000	10,885	43,722	442,652	1,365,294	121,482	1,486,776
Exchange differences arising on translation	–	–	–	–	–	–	28,030	–	28,030	2,221	30,251
Profit for the period	–	–	–	–	–	–	–	33,973	33,973	11,962	45,935
Total comprehensive income for the period	–	–	–	–	–	–	28,030	33,973	62,003	14,183	76,186
Sub-total	274,456	547,800	3,000	36,779	6,000	10,885	71,752	476,625	1,427,297	135,665	1,562,962
Dividends recognised as distribution (Note 7)	–	–	–	–	–	–	–	(54,891)	(54,891)	–	(54,891)
Recognition of equity-settled share-based payments	–	–	–	6,329	–	–	–	–	6,329	–	6,329
At 30 September 2010 (unaudited)	274,456	547,800	3,000	43,108	6,000	10,885	71,752	421,734	1,378,735	135,665	1,514,400

Note: Pursuant to the articles of association of the group companies established in the People's Republic of China ("China"), the group companies are required to appropriate 10% or an amount to be determined by the directors of their respective profits after taxation in accordance with the relevant China accounting rules and financial regulations before any distribution of dividends to equity holders each year to the statutory surplus reserve until their balances reach 50% of their respective registered capital.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2011

	1.4.2011 to 30.9.2011 HK$'000 (Unaudited)	1.4.2010 to 30.9.2010 HK$'000 (Unaudited)
Net cash (used in) from operating activities		
Increase in finance leases receivable	**(340,332)**	(133,608)
Increase in accounts receivable and advances to customers	**(159,760)**	(56,520)
Increase in amount due from an associate	**–**	(12,978)
Decrease in loans receivable	**3,535**	74,910
Other operating activities	**131,807**	132,314
	(364,750)	4,118
Net cash from (used in) investing activities		
Decrease (increase) in short-term bank deposits with original maturity more than three months	**122,050**	(49,806)
Interest received	**3,001**	2,009
Proceeds from disposal of equipment	**2,690**	136
Acquisition of an associate	**(11,905)**	–
Purchase of equipment	**(3,617)**	(2,285)
	112,219	(49,946)
Net cash from financing activities		
New loans raised	**410,139**	160,295
Repayment of bank loans	**(87,647)**	(75,798)
Dividends paid	**(55,211)**	(54,891)
Repayment to an associate	**–**	(3,046)
Other financing activities	**(1,191)**	(11,524)
	266,090	15,036
Net increase (decrease) in cash and cash equivalents	**13,559**	(30,792)
Cash and cash equivalents at beginning of the period	**321,185**	371,197
Effect of foreign currency rate changes	**6,410**	7,646
Cash and cash equivalents at end of the period, representing bank balances and cash	**341,154**	348,051
Analysis of balances of cash and cash equivalents		
Bank balances and cash (Note)	**113,020**	232,586
Short term bank deposits with original maturity within three months	**228,134**	115,465
	341,154	348,051

Note: Includes HK$38,055,000 which is part of assets classified as held for sale.

1. BASIS OF PREPARATION

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

2. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the annual consolidated financial statements of Goldbond Group Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred as the "Group") for the year ended 31 March 2011.

In the current interim period, the Group has applied, for the first time, a number of new or revised standards and interpretations ("new and revised HKFRSs") issued by the HKICPA.

The application of the new and revised HKFRSs in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

The Group has not early applied new or revised standards and amendments that have been issued but are not yet effective. The following new or revised standards have been issued after the date the consolidated financial statements for the year ended 31 March 2011 were authorized for issuance and are not yet effective:

HKFRS 10	Consolidated financial statements[1]
HKFRS 11	Joint arrangements[1]
HKFRS 12	Disclosure of interests in other entities[1]
HKFRS 13	Fair value measurement[1]
HKAS 1 (Amendments)	Presentation of items of other comprehensive income[2]
HKAS 19 (as revised in 2011)	Employment benefits[1]
HKAS 27 (as revised in 2011)	Separate financial statements[1]
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures[1]

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

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

HKFRS 10 replaces the parts of HKAS 27 "Consolidated and Separate Financial Statements" that deal with consolidated financial statements. HKFRS 10 includes a new definition of control that contains three elements: (1) power over an investee, (2) exposure, or rights, to variable returns from its involvement with the investee, and (3) ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios. Overall the application of HKFRS 10 requires a lot of judgment.

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

3. SEGMENT INFORMATION

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

(a) Provision of financial leasing service; and

(b) Provision of financing service comprising project financing and consultancy service.

Operations regarding financing (previously part of the financing service segment) and provision of loan guarantee service (previously a separate reportable segment) have been discontinued during the current period, and are described in more detail in Note 6. The segment information reported below does not include any amounts for these discontinued operations.

An analysis of the Group's revenue and results from continuing operations by reportable segments is as follows:

Six months ended 30 September 2011

Continuing operations

	Financial leasing service HK$'000 (Note)	Financing service HK$'000	Total HK$'000
Revenue from external customers	37,535	–	37,535
Segment results	12,974	–	12,974
Investment income			1,874
Unallocated corporate income and expenses:			
– other administrative income and expenses			(11,715)
– net exchange loss			(23,569)
Other finance costs			(174)
Loss before taxation (continuing operations)			(20,610)

3. SEGMENT INFORMATION (continued)

Six months ended 30 September 2010

Continuing operations

	Financial leasing service HK$'000 (Note)	Financing service HK$'000	Total HK$'000
Revenue from external customers	13,871	6,085	19,956
Segment results	5,809	6,020	11,829
Investment income			1,059
Unallocated corporate income and expenses:			
– other administrative income and expenses			(15,694)
– net exchange loss			(16,958)
Other finance costs			(151)
Loss before taxation (continuing operations)			(19,915)

Revenue from external customers reported above represents income generated from customers in China.

Segment results represent the profit earned by each segment without allocation of central administration costs, investment income and other finance costs. This is the measure reported to the Group's chief executive officer for the purpose of resource allocation and assessment of segment performance.

Note: Included in segment results are direct finance costs of HK$21,819,000 (HK$7,247,000 for the six months ended 30 September 2010) attributable to the financial leasing service business.

An analysis of the Group's assets by reportable segments is as follows:

As at 30 September 2011

	Financial leasing service HK$'000	**Financing service HK$'000**	**Total HK$'000**
Assets relating to continuing operations			
Segment assets	**873,184**	**60,782**	**933,966**
Assets relating to discontinued operations			**1,829,934**
Unallocated assets			**323,224**
Total assets			**3,087,124**

3. SEGMENT INFORMATION (continued)

As at 31 March 2011

	Financial leasing service HK$'000	Financing service HK$'000	Total HK$'000
Assets relating to continuing operations			
Segment assets	497,110	62,146	559,256
Assets relating to discontinued operations			1,697,452
Unallocated assets			316,738
Total assets			2,573,446

For the purposes of monitoring segment performance and allocating resources between segments, the chief executive officer monitors the tangible, intangible and financial assets attributable to each segment. All assets are allocated to reportable segments other than interest in an associate, properties held for sale, club debentures, bank balances and cash, short term bank deposits, and certain corporate assets for central administrative uses.

4. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging (crediting) the following items:

Continuing operations

	1.4.2011 to 30.9.2011 HK$'000 (Unaudited)	1.4.2010 to 30.9.2010 HK$'000 (Unaudited)
Interest expense on:		
Bank and other borrowings	**21,819**	7,247
Redeemable convertible preference shares	**174**	151
	21,993	7,398
Depreciation of equipment	**442**	545
Interest income	**(1,874)**	(1,059)
Operating lease charges in respect of properties	**1,296**	1,200
Foreign exchange loss, net	**23,569**	16,958

5. TAXATION

Continuing operations

	1.4.2011 to 30.9.2011 HK$'000 (Unaudited)	1.4.2010 to 30.9.2010 HK$'000 (Unaudited)
The current tax charge comprises:		
Enterprise Income Tax in China	**3,336**	1,995

Taxation for subsidiaries in China is calculated at the appropriate current rates of taxation in China.

Deferred taxation has not been recognised in respect of the temporary differences attributable to the accumulated profits of the subsidiaries in China since 1 January 2008 totalling HK$505,790,000 (31 March 2011: HK$421,054,000) of which HK$28,360,000 (31 March 2011: HK$17,454,000) relates to continuing operations and HK$477,430,000 (31 March 2011: HK$403,600,000) relates to discontinued operations, since the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

6. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE/DISCONTINUED OPERATIONS

On 24 August 2011, a sale and purchase agreement and two subscription agreements were entered into between, among others, Perfect Honour Limited ("Perfect Honour"), a wholly owned subsidiary, an independent third party investor (the "Investor"), Rongzhong Group Limited ("Rongzhong") and Rongzhong Capital Holdings Limited ("Rongzhong Capital"), both of which are non-wholly owned subsidiaries, involving the introduction of the Investor (the "Introduction") to invest in Rongzhong and Rongzhong Capital for the purpose of providing additional working capital to both Rongzhong and Rongzhong Capital for further business operation development. The total investment amount payable by the Investor pursuant to the Introduction is approximately US$154.8 million (equivalent to approximately HK$1,207.4 million) and the details of the Introduction are disclosed in the circular dated 23 September 2011 issued by the Company. The Introduction was subsequently completed on 26 October 2011 (the "Completion Date").

To facilitate the Introduction, the Group effected the pre-completion reorganisation which included, amongst others, the acquisition of Rongzhong Capital from Rongzhong by Perfect Honour and the non-controlling interests in proportion to their respective shareholding interests in Rongzhong prior to the Completion Date.

After the Completion Date:

- Rongzhong and its subsidiaries (collectively the "Disposal Group") would become 40% owned by the Group. Its financial results and position would be deconsolidated from, and then be accounted for by equity method in, the consolidated financial statements of the Group.
- Rongzhong Capital and its subsidiaries would become 50.055% owned by the Group and continue to be consolidated in the consolidated financial statements of the Group.

6. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE/DISCONTINUED OPERATIONS (continued)

Since the requirements and conditions specified in HKFRS 5 were met on 24 August 2011, the assets and liabilities attributable to the Disposal Group are presented separately in the consolidated statement of financial position for the current period. The operations regarding financing and provision of loan guarantee service carried out by the Disposal Group have been treated as discontinued operations. The comparative figures relating to discontinued operations have also been re-presented.

The major classes of assets and liabilities of the Disposal Group as at 30 September 2011 are as follows:

	30.9.2011 HK$'000 (Unaudited)
Equipment	**6,728**
Interest in an associate	**73,174**
Goodwill	**103,686**
Intangible assets	**1,130**
Properties held for sale	**9,889**
Amount due from an associate	**14,148**
Accounts receivable and advances provided to customers (Note 12)	**1,353,906**
Prepayments and deposits	**14,490**
Security deposits	**214,728**
Bank balances and cash	**38,055**
Assets classified as held for sale	**1,829,934**
Other payables and accrued charges	**82,760**
Deposits from loan guarantee customers	**196,397**
Deferred income	**34,778**
Taxation	**47,493**
Bank borrowings – amount due within one year	**123,457**
Liabilities arising from loan guarantee contracts (Note 15)	**8,000**
Deferred taxation	**16,039**
Liabilities associated with assets classified as held for sale	**508,924**
	1,321,010

An amount of HK$94,596,000 relating to the disposal group classified as held for sale has been recognised in other comprehensive income and accumulated in equity.

6. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE/DISCONTINUED OPERATIONS (continued)

Profit for the period from discontinued operations

	1.4.2011 to 30.9.2011 HK$'000 (Unaudited)	1.4.2010 to 30.9.2010 HK$'000 (Unaudited)
Revenue	**128,685**	123,517
Other income	**3,434**	1,365
Staff costs	**(15,536)**	(14,340)
Other operating expenses	**(22,473)**	(15,932)
Direct finance costs	**–**	(533)
Other finance costs	**(4,727)**	(3,744)
Share of loss of associates	**(639)**	(581)
Profit before taxation	**88,744**	89,752
Taxation	**(23,366)**	(21,907)
Profit for the period from discontinued operations	**65,378**	67,845
Profit for the period from discontinued operations attributable to:		
Owners of the Company	**46,523**	48,088
Non-controlling interests	**18,855**	19,757
	65,378	67,845
Profit for the period from discontinued operations included the following:		
Interest on bank borrowings	**4,727**	4,277
Allowance for bad and doubtful debts	**15,619**	5,772
Amortisation of intangible assets	**225**	218
Depreciation of equipment	**1,510**	1,438
Gain on disposal of equipment	**(2,283)**	(35)
Interest income	**(1,127)**	(950)
Operating lease charges in respect of properties	**4,671**	4,458

Cash flows from discontinued operations

	1.4.2011 to 30.9.2011 HK$'000 (Unaudited)	1.4.2010 to 30.9.2010 HK$'000 (Unaudited)
Net cash used in operating activities	**(157,065)**	(8,826)
Net cash used in investing activities	**(11,215)**	(1,186)
Net cash from (used in) financing activities	**59,426**	(49,318)
Net cash outflows	**(108,854)**	(59,330)

7. DIVIDENDS

	1.4.2011 to 30.9.2011 HK$'000 (Unaudited)	1.4.2010 to 30.9.2010 HK$'000 (Unaudited)
Dividends recognised as distribution and paid during the period:		
Final dividends of HK2 cents per share in respect of the year ended 31 March 2011 (31 March 2010: HK2 cents per share)	**55,211**	54,891

The directors do not recommend the payment of an interim dividend in respect of the six months ended 30 September 2011 (Nil for the six months ended 30 September 2010).

8. EARNINGS (LOSS) PER SHARE

From continuing and discontinued operations

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

	1.4.2011 to 30.9.2011 HK$'000 (Unaudited)	1.4.2010 to 30.9.2010 HK$'000 (Unaudited)
Earnings:		
Earnings for the purposes of basic and diluted earnings per share (profit for the period attributable to owners of the Company)	**27,509**	33,973
Number of shares		
	'000	'000
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	**2,760,563**	2,744,563

The computation of diluted earnings per share does not assume the exercise of the Company's outstanding share options since their assumed exercise would result in decrease in loss per share from continuing operations for both periods.

8. EARNINGS (LOSS) PER SHARE (continued)

From continuing operations

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

	1.4.2011 to 30.9.2011 HK$'000 (Unaudited)	1.4.2010 to 30.9.2010 HK$'000 (Unaudited)
Earnings (loss) figures are calculated as follows:		
Profit for the period attributable to owners of the Company	**27,509**	33,973
Less: Profit for the period from discontinued operations attributable to owners of the Company	**(46,523)**	(48,088)
Loss for the purpose of basic and diluted loss per share from continuing operations	**(19,014)**	(14,115)

The denominators used are the same as those detailed above for both basic and diluted earnings per share from continuing and discontinued operations.

From discontinued operations

Basic and diluted earnings per share for the discontinued operations is HK$1.69 cents per share (HK$1.75 cents per share for the six months ended 30 September 2010), based on the profit for the period from the discontinued operations attributable to owners of the Company of HK$46,523,000 (HK$48,088,000 for the six months ended 30 September 2010) and the denominators detailed above for both basic and diluted earnings per share.

9. ADDITIONS IN EQUIPMENT

During the period, the Group incurred HK$3,617,000 (HK$2,285,000 for the six months ended 30 September 2010) to acquire equipment for its business use of which HK$491,000 (HK$12,000 for the six months ended 30 September 2010) was for continuing operations and HK$3,126,000 (HK$2,273,000 for the six months ended 30 September 2010) was for discontinued operations.

In addition, the Group disposed of certain equipment relating to discontinued operations with an aggregate carrying amount of HK$407,000 for cash proceeds of HK$2,690,000 (aggregate carrying amount of HK$101,000 for cash proceeds of HK$136,000 for the six months ended 30 September 2010), resulting in a gain on disposal of HK$2,283,000 (HK$35,000 for the six months ended 30 September 2010).

10. FINANCE LEASES RECEIVABLE/DEPOSITS FROM FINANCE LEASE CUSTOMERS

The Group provides financial leasing service in China. All interest rates inherent in the leases are fixed at the respective contract dates over the lease terms.

	Minimum lease payments		Present value of minimum lease payments	
	30.9.2011	31.3.2011	**30.9.2011**	31.3.2011
	HK$'000	HK$'000	**HK$'000**	HK$'000
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)
Finance leases receivable comprise:				
Within one year	**395,548**	219,536	**316,700**	174,390
In more than one year but not more than five years	**587,316**	338,896	**538,345**	309,786
	982,864	558,432	**855,045**	484,176
Less: Unearned finance income	**(127,819)**	(74,256)		
Present value of minimum lease payment	**855,045**	484,176		
Analysed for reporting purposes as:				
Current assets			**316,700**	174,390
Non-current assets			**538,345**	309,786
			855,045	484,176

The Group's finance leases receivable are denominated in RMB which is the functional currency of the relevant group entity.

Finance leases receivable are secured over the equipment leased and deposits of approximately HK$88,105,000 (31 March 2011: HK$19,547,000) placed by customers and repayable upon the end of lease period. No contingent rent arrangements were made for both periods.

11. LOANS RECEIVABLE

During the six months ended 30 September 2011, an aggregate amount of approximately RMB2,970,000 had been received in settlement of the loans receivable (during the year ended 31 March 2011: received approximately RMB101,773,000).

The loan to 珠海市保利三好有限公司 ("Poly Sanhao") is secured by the following:

(a) a mortgage of 85% equity interest in 珠海市中廣置業有限公司 as owned by Poly Sanhao;

(b) a mortgage of the 51% equity interest in Poly Sanhao owned by Grand Ocean Investment Company Limited ("Grand Ocean") (formerly known as Worldpro International Investment Limited); and

(c) Mr. Wu Deming's ("Mr. Wu") personal guarantee in favour of Famous Apex Limited ("Famous Apex"), a wholly owned subsidiary.

The loan to Grand Ocean is secured by the following:

(a) a first fixed and floating charge on all assets including, among others, any land and properties, intellectual property rights, receivables and securities legally and/or beneficially owned by Grand Ocean;

(b) a mortgage of the entire issued share capital of Grand Ocean and assignment and subordination of all loans owing by Grand Ocean to the beneficial owner of the entire equity interest in Grand Ocean ("Mr. Chan");

(c) Mr. Chan's personal guarantee in favour of Famous Apex; and

(d) Mr. Wu's personal guarantee in favour of Famous Apex.

As at 30 September 2011 and 31 March 2011, the loans were not impaired.

12. ACCOUNTS RECEIVABLE AND ADVANCES PROVIDED TO CUSTOMERS

	30.9.2011 HK$'000 (Unaudited)	31.3.2011 HK$'000 (Audited)
Accounts receivable (Note a)	**212,920**	170,864
Advances provided to customers (Note b)	**1,192,158**	1,034,654
	1,405,078	1,205,518
Less: Allowance for bad and doubtful debts		
– accounts receivable	**(27,920)**	(20,984)
– advances provided to customers	**(21,124)**	(21,071)
	1,356,034	1,163,463
Less: Accounts receivable and advances provided to customers classified as part of the disposal group held for sale (Note 6)	**(1,353,906)**	–
	2,128	1,163,463

Notes:

(a) Accounts receivable mainly include management fees receivable and interest income receivable. Management fees receivable will be settled according to contract terms. Interest income receivable will be settled together with the loan principal when the loans are matured.

(b) The advances provided to customers bear fixed coupon interest at a rate of not more than 6.1% (31 March 2011: 5.6%) per annum and are repayable according to the loan agreements which usually cover periods of two weeks to six months. Included in the balances are loans receivable from pawnshop customers and entrusted loans through banks of approximately HK$1,171,034,000 (31 March 2011: HK$1,013,583,000) secured by pawned assets and assets placed by customers such as properties and equity interests in certain private entities in China. The Group is not permitted to sell or re-pledge the collateral in the absence of default by customers.

The following is an ageing analysis of accounts receivable and advances provided to customers:

	30.9.2011 HK$'000 (Unaudited)	31.3.2011 HK$'000 (Audited)
– within one month	**2,128**	269,718
– more than one month but less than three months	**–**	214,092
– more than three months but less than six months	**–**	256,196
– more than six months	**–**	423,457
	2,128	1,163,463

13. SECURITY DEPOSITS

Security deposits are placed by the Group with banks to secure the Group's due performance in relation to the financial service business in China.

14. BANK BORROWINGS

During the period, the Group obtained new bank borrowings of HK$410,139,000 (HK$160,295,000 for the six months ended 30 September 2010) and repaid bank borrowings of HK$87,647,000 (HK$75,798,000 for the six months ended 30 September 2010). As at 30 September 2011 and 31 March 2011, all the Group's bank borrowings were variable-rate borrowings which carry annual interest in the range of the rate offered by the People's Bank of China ("PBOC") to 125% of the rate offered by the PBOC (31 March 2011: 120% of the rate offered by the PBOC). The bank borrowings are used to finance the operations of the Group.

Included in the continuing operations are bank borrowings of RMB513,979,000 (31 March 2011: RMB208,876,000) equivalent to approximately HK$634,542,000 (31 March 2011: HK$248,661,000) that are secured by charges over certain finance leases receivable of the Group with an aggregate carrying value of approximately HK$723,701,000 (31 March 2011: HK$252,555,000). The remaining balance of RMB79,133,000 (31 March 2011: RMB113,343,000) equivalent to HK$97,695,000 (31 March 2011: HK$134,932,000) is unsecured. These unsecured bank borrowings were obtained for certain financial leasing service transactions and the relevant customer of these transactions had given a guarantee to the bank for the granting of these bank borrowings in full.

As at 30 September 2011, included in the bank borrowing of the disposal group classified as held for sale was a bank borrowing of RMB100,000,000 (31 March 2011: RMB100,000,000) equivalent to approximately HK$123,457,000 (31 March 2011: HK$119,048,000) from a bank in China secured by charges over the Group's and the non-controlling interests in Rongzhong Capital Investments Group Limited ("Rongzhong Capital Investments"), a non-wholly owned subsidiary. The other major terms of this bank borrowing include the followings:

(a) The Company, Rongzhong Capital Investments and a director of the Company have given guarantees to the bank for the granting of the above borrowing of not more than RMB100,000,000 in aggregate, which are fully utilised as at 30 September 2011. The guarantee provided by the Company is in proportion to its equity interest in the borrower.

(b) Mr. Wong Yu Lung, Charles (the substantial shareholder of the Company) and/or his associates (which has the meaning ascribed to it under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) at all times during the term of the facility agreement maintain their aggregate shareholding in the Company at not less than 35%.

15. LIABILITIES ARISING FROM LOAN GUARANTEE CONTRACTS

Liabilities arising from loan guarantee contracts represent the management's best estimate of the Group's liability based on prior experience and default history of the loan guarantee business. The amount of outstanding loan guarantee contracts is disclosed in Note 19.

16. REDEEMABLE CONVERTIBLE PREFERENCE SHARES

As at 30 September 2011, 68,400,000 (31 March 2011: 68,400,000) preference shares were in issue.

Pursuant to the terms and conditions of the preference shares, the preference shares may be redeemed by the holders of the preference shares at any time subsequent to 50 years after the date of issue on 18 September 2001 at a redemption value of HK$10.00 per preference share. The preference shares carry no right to dividend distributions to the holders. The preference shares were convertible until 17 September 2004 and the conversion rights attached to the preference shares lapsed with no conversion then.

The liability component of the preference shares is carried at amortised cost based on an effective interest rate of 13.97% per annum.

17. EQUITY SETTLED SHARE-BASED TRANSACTIONS

The Company has a share option scheme for eligible directors of the Company and eligible employees of the Group and other participants. Details of the share options outstanding during the current period are as follows:

	Number of share options
Outstanding at 1 April 2011 and 30 September 2011	260,000,000

During the period, no share options were granted, exercised, or allowed to lapse.

During the period, the Group recognised the total expense of HK$3,550,000 (HK$6,329,000 for the six months ended 30 September 2010) relating to continuing operations in relation to share options granted by the Company.

18. OPERATING LEASE COMMITMENTS

As at 30 September 2011, the total future minimum lease payments under non-cancellable operating leases were payable as follows:

As lessee

The Group is the lessee of a number of properties held under operating leases. The leases typically run for an initial period of one to three years, with an option to renew the lease upon expiry when all terms are re-negotiated. The commitments of the Group, excluding the disposal group classified as held for sale at 30 September 2011, are as follows:

	30.9.2011 HK$'000 (Unaudited)	31.3.2011 HK$'000 (Audited)
Within one year	**2,631**	9,386
After one year but within five years	**1,622**	8,134
	4,253	17,520

19. CONTINGENT LIABILITIES

As at 30 September 2011, the Group had contingent liabilities relating to the disposal group classified as held for sale of approximately RMB2,222,641,000 (31 March 2011: RMB2,732,604,000), equivalent to approximately HK$2,744,002,000 (31 March 2011: HK$3,253,100,000) and recognised approximately RMB6,480,000 (31 March 2011: RMB7,390,000), equivalent to approximately HK$8,000,000 (31 March 2011: HK$8,797,000) in the condensed consolidated statement of financial position as liabilities in relation to the provision of loan guarantee service in China. The corresponding deferred income received from this business was approximately RMB28,170,000 (31 March 2011: RMB38,175,000), equivalent to approximately HK$34,778,000 (31 March 2011: HK$45,446,000).

20. RELATED PARTY TRANSACTIONS

The Group had the following transactions with related parties included in results from continuing operations during both periods.

(a) Key management personnel remuneration

	1.4.2011 to 30.9.2011 HK$'000 (Unaudited)	1.4.2010 to 30.9.2010 HK$'000 (Unaudited)
Short-term employee benefits	**3,030**	3,090
Post-employment benefits	**24**	24
Share-based payment	**3,222**	5,396
	6,276	8,510

(b) Transactions with related parties

	1.4.2011 to 30.9.2011 HK$'000 (Unaudited)	1.4.2010 to 30.9.2010 HK$'000 (Unaudited)
Rental expense paid to a related company with common controlling shareholders	**1,107**	1,107

AUDIT COMMITTEE

The Audit Committee has been established by the Company to review and supervise the financial reporting process and the internal control procedures of the Group. It comprises all Independent Non-executive Directors of the Company. The Audit Committee has reviewed the interim results for the six months ended 30 September 2011 and the 2011/12 interim report.

INDEPENDENT REVIEW

The interim results for the Period are unaudited, but have been reviewed in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants, by the Company's auditor, whose independent review report has been included in page 9 of this report.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS

At 30 September 2011, the Directors and chief executive of the Company ("Chief Executive") and their respective associates had the following interests in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO:

Interests in Shares/underlying Shares of the Company

Name of Director	Capacity	Number of Shares	Number of underlying Shares of share options of the Company	Approximate percentage of the issued share capital of the Company
Mr. Wang Jun ("Mr. Wang")	Interest in controlled corporation	101,251,300 *(Note 1)*	–	3.67%
	Beneficial owner	–	25,000,000 *(Note 2)*	0.91%
Mr. Wong Yu Lung, Charles ("Mr. Wong")	Interest in controlled corporation	855,808,725 *(Note 1 on page 34)*	–	31.00%
	Beneficial owner	–	25,000,000 *(Note 2)*	0.91%
	Beneficial owner	–	26,000,000 *(Note 3)*	0.94%
	Beneficial owner	–	26,000,000 *(Note 4)*	0.94%
Ms. Wong, Michelle Yatyee ("Ms. Michelle Wong")	Interest in controlled corporation	584,806,792 *(Note 3 on page 34)*	–	21.18%
	Beneficial owner	–	13,000,000 *(Note 4)*	0.47%
Mr. Ding Chung Keung, Vincent ("Mr. Ding")	Beneficial owner	46,930,000	–	1.70%
	Beneficial owner	–	25,000,000 *(Note 2)*	0.91%
	Beneficial owner	–	26,000,000 *(Note 3)*	0.94%
	Beneficial owner	–	26,000,000 *(Note 4)*	0.94%

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS (continued)

Interests in Shares/underlying Shares of the Company (continued)

Name of Director	Capacity	Number of Shares	Number of underlying Shares of share options of the Company	Approximate percentage of the issued share capital of the Company
Mr. Kee Wah Sze	Beneficial owner	30,000,000	–	1.09%
("Mr. Kee")	Beneficial owner	–	1,500,000 *(Note 4)*	0.05%
Mr. Xie Xiao Qing ("Mr. Xie")	Interest in controlled corporation	125,000,000 *(Note 5)*	–	4.53%
	Beneficial owner	1,900,000	–	0.07%
	Beneficial owner	–	16,000,000 *(Note 6)*	0.58%
Mr. Ma Ho Fai SBS JP	Beneficial owner	1,200,000	–	0.04%
("Mr. Ma")	Beneficial owner	–	1,500,000 *(Note 4)*	0.05%
Mr. Melvin Jitsumi Shiraki	Beneficial owner	5,540,000	–	0.20%
("Mr. Shiraki")	Beneficial owner	–	1,500,000 *(Note 4)*	0.05%
Mr. Cheng Yuk Wo ("Mr. Cheng")	Beneficial owner	–	1,600,000 *(Note 7)*	0.06%
	Beneficial owner	–	2,600,000 *(Note 4)*	0.09%

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS (continued)

Interests in ordinary shares of the associated corporation

Name of Director	Capacity	Name of associated corporation	Number of shares	Approximate percentage
Mr. Xie	Interest in controlled corporation	Rongzhong Group Limited ("Rongzhong")	4,942,600 *(Note 8)*	19.01%

Notes:

1. These Shares were held by Canasia Profits Corporation (which was wholly-owned by Mr. Wang).

2. On 17 August 2007, each of Mr. Wang, Mr. Wong and Mr. Ding was granted 25,000,000 options under the share option scheme of the Company (the "Share Option Scheme") to subscribe for 25,000,000 Shares respectively, exercisable at a price of HK$1.014 per Share during the period from 17 August 2010 to 16 August 2017.

3. On 13 October 2009, each of Mr. Wong and Mr. Ding was granted 26,000,000 options under the Share Option Scheme to subscribe for 26,000,000 Shares respectively, exercisable at a price of HK$0.50 per Share during the period from 13 October 2012 to 12 October 2019.

4. On 1 February 2011, such number of share options were granted to him/her under the Share Option Scheme, exercisable at a price of HK$0.410 per Share during the period from 1 February 2014 to 31 January 2021.

5. These Shares were held by Yong Hua International Limited ("Yong Hua"), a company wholly-owned by Mr. Xie.

6. On 29 March 2007, Mr. Xie was granted 16,000,000 options under the Share Option Scheme to subscribe for 16,000,000 Shares, exercisable at a price of HK$0.256 per Share during the period from 29 March 2010 to 28 March 2017.

7. On 23 May 2008, Mr. Cheng was granted 1,600,000 options under the Share Option Scheme to subscribe for 1,600,000 Shares, exercisable at a price of HK$0.692 per Share during the period from 23 May 2011 to 22 May 2018.

8. These shares were held by Yong Hua. As disclosed in the Circular, Yong Hua entered into a conditional sale and purchase agreement on 24 August 2011 to dispose of 685,000 shares to Silver Creation Investments Limited (representing approximately 2% of the issued share capital of Rongzhong as enlarged by a subscription agreement signed between Rongzhong and Silver Creation Investments Limited). Details of which please refer to the Circular. Such disposal has been completed on 26 October 2011.

All the interests stated above represent long positions.

Save for those disclosed above, at 30 September 2011, no interests and short positions were held or deemed or taken to be held under Part XV of the SFO by any Director or the Chief Executive or any its associated corporations which were required to be notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or pursuant to the Model Code contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") or which are required pursuant to Section 352 of the SFO to be entered in the register referred to therein. Nor any of the Directors and the Chief Executive (including their spouses and children under the age of 18) had, at 30 September 2011, any interest in, or had been granted any right to subscribe for the securities and options of the Company and its associated corporations within the meaning of the SFO, or had exercised any such rights.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

At 30 September 2011, the interests in Shares and/or underlying Shares of the Company of every person (other than the Directors and Chief Executive) as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name	Capacity	Number of Shares	Number of underlying Shares of share options of the Company	Approximate percentage of the issued share capital of the Company
Mrs. Wong Fang Pik Chun (“Mrs. Wong”)	Interest in controlled corporation	855,808,725 *(Note 1)*	–	31.00%
	Interest of spouse	–	77,000,000 *(Note 2)*	2.79%
Allied Luck Trading Limited (“Allied Luck”)	Beneficial owner	855,808,725 *(Note 1)*	–	31.00%
Kwok, Gareth Wing-Sien ("Mr. Kwok")	Interest of spouse	584,806,792 *(Note 3)*	13,000,000 *(Note 4)*	21.66%
Ace Solomon Investments Limited (“Ace Solomon”)	Beneficial owner	584,806,792 *(Note 3)*	–	21.18%
Aceyork Investment Limited (“Aceyork”)	Interest in controlled corporation	584,806,792 *(Note 3)*	–	21.18%
Allied Golden Investment Limited (“Allied Golden”)	Interest in controlled corporation	584,806,792 *(Note 3)*	–	21.18%
Wong, Jacqueline Yue Yee (“Miss Jacqueline Wong”)	Interest in controlled corporation	584,806,792 *(Note 3)*	–	21.18%

Notes:

1. These Shares were held by Allied Luck which in turn owned as to 50% by Mr. Wong and as to 50% by Mrs. Wong, the spouse of Mr. Wong. As such, each of Mr. Wong and Mrs. Wong was respectively taken to have an interest in such Shares by virtue of their respective shareholding interests in Allied Luck.

2. As disclosed in Notes 2, 3 and 4 on page 33 of this report, Mr. Wong was granted a total of 77,000,000 share options to subscribe for 77,000,000 Shares. As such, Mrs. Wong was taken to have such interest in the underlying Shares under the provisions of the SFO.

3. These Shares were held by Ace Solomon, which was owned as to 50% by Aceyork (a company wholly-owned by Ms. Michelle Wong) and as to 50% by Allied Golden (a company wholly-owned by Miss Jacqueline Wong). As such, each of Aceyork, Allied Golden, Ms. Michelle Wong, Mr. Kwok (the spouse of Ms. Michelle Wong) and Miss Jacqueline Wong was respectively deemed to be interested in all these Shares.

4. As disclosed in Note 4 on page 33, Ms. Michelle Wong was granted 13,000,000 share options to subscribe for 13,000,000 Shares. As such, Mr. Kwok was taken to have such interest in the underlying Shares under the SFO.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS (continued)

All the interests stated above represent long positions.

Save for those disclosed above, at 30 September 2011, the Company had not been notified of any persons who had interests or short position in Shares and underlying Shares of the Company, which are required to be recorded in the register required to be kept under Section 336 of the SFO.

SHARE OPTION SCHEME

The Share Option Scheme was adopted on 18 September 2002 with amendments made on 29 August 2003 to give clarity to it. The key terms of the Share Option Scheme had been summarised in our 2010/11 Annual Report despatched in July this year.

Details of the movements of share options during the Period were as follows:

Grantee	Date of grant	Exercise price (HK$)	Exercisable period (Note 2)	Outstanding at 31/3/11	Outstanding at 30/9/11
Directors					
Mr. Wang	17/8/2007	1.014	17/8/2010 – 16/8/2017	25,000,000	25,000,000
Mr. Wong	17/8/2007	1.014	17/8/2010 – 16/8/2017	25,000,000	25,000,000
	13/10/2009	0.500	13/10/2012 – 12/10/2019	26,000,000	26,000,000
	1/2/2011	0.410	1/2/2014 – 31/1/2021	26,000,000	26,000,000
Mr. Ding	17/8/2007	1.014	17/8/2010 – 16/8/2017	25,000,000	25,000,000
	13/10/2009	0.500	13/10/2012 – 12/10/2019	26,000,000	26,000,000
	1/2/2011	0.410	1/2/2014 – 31/1/2021	26,000,000	26,000,000
Ms. Michelle Wong	1/2/2011	0.410	1/2/2014 – 31/1/2021	13,000,000	13,000,000
Mr. Kee	1/2/2011	0.410	1/2/2014 – 31/1/2021	1,500,000	1,500,000
Mr. Xie	29/3/2007	0.256	29/3/2010 – 28/3/2017	16,000,000	16,000,000
Mr. Ma	1/2/2011	0.410	1/2/2014 – 31/1/2021	1,500,000	1,500,000
Mr. Shiraki	1/2/2011	0.410	1/2/2014 – 31/1/2021	1,500,000	1,500,000
Mr. Cheng	23/5/2008	0.692	23/5/2011 – 22/5/2018	1,600,000	1,600,000
	1/2/2011	0.410	1/2/2014 – 31/1/2021	2,600,000	2,600,000
Eligible employees	17/8/2007	1.014	17/8/2010 – 16/8/2017	17,300,000	17,300,000
(in aggregate)	23/5/2008	0.692	23/5/2011 – 22/5/2018	3,500,000	3,500,000
	31/12/2008	0.345	31/12/2011 – 30/12/2018	6,000,000	6,000,000
	13/3/2009	0.360	13/9/2011 – 12/3/2019	1,000,000	1,000,000
	13/3/2009	0.360	13/3/2012 – 12/3/2019	2,200,000	2,200,000
	13/10/2009	0.500	13/10/2012 – 12/10/2019	250,000	250,000
	1/2/2011	0.410	1/2/2014 – 31/1/2021	13,050,000	13,050,000
				260,000,000	260,000,000

Notes:

1. No share options were granted, exercised, lapsed or cancelled during the Period; and

2. The vesting period of the share options is from the date of grant until the commencement of the exercisable period.

RULE 13.21 OF THE LISTING RULES

Pursuant to Rule 13.21 of the Listing Rules, the following specific performance obligation of the Controlling Shareholders (as defined below) existed at 30 September 2011:

On 2 September 2009, an indirect 71% subsidiary of the Company (the "Subsidiary") as borrower entered into a facility agreement (the "Facility Agreement") with a bank established in China (the "Bank") as lender whereby the Bank had agreed to grant a two-year term loan facility of RMB100 million to the Subsidiary (the "Loan Facility"). On 3 September 2011, the Subsidiary and the Bank entered into a supplemental agreement to extend the maturity date of the Loan Facility to 4 September 2012. Details of which please refer to the Circular.

Pursuant to the Facility Agreement (as amended by the supplemental agreement), it would be an event of default thereunder if the Subsidiary fails to ensure that Mr. Wong and/or his associates (which has the meaning ascribed to it under the Listing Rules) (collectively the "Controlling Shareholders") at all times during the term of the Facility Agreement (as amended by the supplemental agreement) maintain their aggregate shareholding in the Company at not less than 35%.

The occurrence of the aforesaid event of default would render the outstanding liabilities of the Subsidiary under the Facility Agreement (as amended by the supplemental agreement) to become immediately due and payable.

Since the Subsidiary ceased to be a subsidiary of the Company from 26 October 2011 upon completion of the transactions as disclosed in the Circular, this disclosure obligation ended on 26 October 2011.

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

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

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules as its own code of conduct and rules governing dealings by all directors in the securities of the Company. Having made specific enquiry of the Directors of the Company, all the Directors confirmed that they have complied with the required standard of dealings and code of conduct regarding securities transactions by directors set out in the Model Code during the Period.

CODE ON CORPORATE GOVERNANCE PRACTICES

Throughout the Period, the Company has applied the principles and complied with the applicable code provisions of the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules.