



**盛源控股有限公司**

SHENG YUAN HOLDINGS LIMITED

Stock Code: 851

**2013**  
INTERIM REPORT

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## CORPORATE INFORMATION

### Board of Directors

#### Executive Directors

Ms. Lin Min (*Chairman*)  
Mr. Yip Kar Hang, Raymond  
Ms. Kwong Wai Man, Karina  
Mr. Wu Siu Lam, William

#### Independent Non-Executive Directors

Mr. Cheung Kwok Keung  
Mr. Lam Kam Tong  
Mr. Qi Wenju

### Audit Committee

Mr. Cheung Kwok Keung (*Chairman*)  
Mr. Lam Kam Tong  
Mr. Qi Wenju

### Remuneration Committee

Mr. Cheung Kwok Keung (*Chairman*)  
Mr. Lam Kam Tong  
Mr. Qi Wenju

### Nomination Committee

Ms. Lin Min (*Chairman*)  
Mr. Cheung Kwok Keung  
Mr. Lam Kam Tong

### Company Secretary

Mr. Or Wing Keung

### Stock Code

851

### Website

[www.shengyuan.hk](http://www.shengyuan.hk)

### Share Registrar

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28 Queen's Road East  
Hong Kong

### Registered Office

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Bermuda

### Principal Office in Hong Kong

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Causeway Bay  
Hong Kong

### Auditor

Deloitte Touche Tohmatsu  
*Certified Public Accountants*  
35th Floor, One Pacific Place  
88 Queensway  
Hong Kong

### Solicitors

K&L Gates  
44th Floor,  
Edinburgh Tower, The Landmark  
15 Queen's Road Central  
Hong Kong

### Principal Bankers

The Hong Kong & Shanghai Banking  
Corporation Limited  
Bank of China  
China Construction Bank (Asia)

# REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## TO THE BOARD OF DIRECTORS OF SHENG YUAN HOLDINGS LIMITED

盛源控股有限公司

### Introduction

We have reviewed the condensed consolidated financial statements of Sheng Yuan Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 4 to 24, which comprises the condensed consolidated statement of financial position as of 30 June 2013 and the related condensed consolidated statement of profit or loss and other 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 Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### Scope of review

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

### Conclusion

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

**Deloitte Touche Tohmatsu**

*Certified Public Accountants*

Hong Kong  
27 August 2013



# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2013

		Six months ended	
	Notes	30 June 2013 HK\$'000 (unaudited)	30 June 2012 HK\$'000 (unaudited) (restated)
<b>Continuing operations</b>			
Revenue	3	42,421	3,264
Other income		2	3
Purchase of inventories for trading businesses		(39,631)	–
Salaries, commission and related benefits		(14,727)	(20,136)
Depreciation		(739)	(711)
Finance costs		(194)	(1,775)
Other expenses		(7,253)	(6,655)
Loss before taxation		(20,121)	(26,010)
Taxation	4	–	–
Loss for the period from continuing operations		(20,121)	(26,010)
<b>Discontinued operations</b>			
Loss for the period from discontinued operations	5	–	(918)
Loss for the period	6	(20,121)	(26,928)
<b>Other comprehensive income (expense)</b>			
Exchange difference arising on translation of financial statements of foreign operation that may be subsequently reclassified to profit or loss		19	(461)
Total comprehensive expense for the period attributable to owners of the Company		(20,102)	(27,389)
Loss per share	8		
From continuing and discontinued operations			
Basic and diluted		HK\$(0.01)	HK\$(0.02)
From continuing operations			
Basic and diluted		HK\$(0.01)	HK\$(0.02)

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2013

	Notes	<b>30 June 2013 HK\$'000 (unaudited)</b>	31 December 2012 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	9	<b>2,308</b>	2,995
Trading rights		<b>3,322</b>	3,322
Statutory deposits		<b>1,705</b>	1,705
		<b>7,335</b>	8,022
Current assets			
Trade and bills receivables and other receivables and prepayments	10	<b>50,255</b>	37,193
Bank balances (trust and segregated accounts)		<b>5,700</b>	7,964
Bank balances (general accounts) and cash		<b>95,039</b>	65,482
		<b>150,994</b>	110,639
Current liabilities			
Trade and bills payables and other payables and accruals	11	<b>43,489</b>	13,700
Obligations under finance leases – due within one year		<b>37</b>	37
Tax liabilities		<b>81</b>	81
Loan from a shareholder	12	<b>30,000</b>	–
		<b>73,607</b>	13,818
Net current assets		<b>77,387</b>	96,821
Total assets less current liabilities		<b>84,722</b>	104,843
Capital and reserves			
Share capital	13	<b>161,201</b>	161,201
Share premium and reserves		<b>(76,530)</b>	(56,428)
		<b>84,671</b>	104,773
Non-current liabilities			
Obligations under finance leases – due after one year		<b>51</b>	70
		<b>84,722</b>	104,843

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2013

	Attributable to owners of the Company								
	Share capital HK\$'000	Share premium HK\$'000	Shareholder's contribution HK\$'000	Currency translation reserve HK\$'000	Share option reserve HK\$'000	Capital redemption reserve HK\$'000	Convertible notes reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 January 2013 (audited)	161,201	174,173	7,834	26	15,535	477	-	(254,473)	104,773
Loss for the period	-	-	-	-	-	-	-	(20,121)	(20,121)
Exchange difference arising on translation of financial statements of foreign operation	-	-	-	19	-	-	-	-	19
Total comprehensive income (expense) for the period	-	-	-	19	-	-	-	(20,121)	(20,102)
Lapsed of share options	-	-	-	-	(1,711)	-	-	1,711	-
<b>At 30 June 2013 (unaudited)</b>	<b>161,201</b>	<b>174,173</b>	<b>7,834</b>	<b>45</b>	<b>13,824</b>	<b>477</b>	<b>-</b>	<b>(272,883)</b>	<b>84,671</b>
At 1 January 2012 (audited)	117,840	148,259	7,834	1,550	21,692	477	12,986	(219,972)	90,666
Loss for the period	-	-	-	-	-	-	-	(26,928)	(26,928)
Exchange difference arising on translation of financial statements of foreign operation	-	-	-	(461)	-	-	-	-	(461)
Total comprehensive expense for the period	-	-	-	(461)	-	-	-	(26,928)	(27,389)
Shares issued upon conversion of convertible notes	43,361	25,914	-	-	-	-	(12,986)	-	56,289
Equity-settled share-based payment	-	-	-	-	6,552	-	-	-	6,552
Lapsed of share options	-	-	-	-	(57)	-	-	57	-
<b>At 30 June 2012 (unaudited)</b>	<b>161,201</b>	<b>174,173</b>	<b>7,834</b>	<b>1,089</b>	<b>28,187</b>	<b>477</b>	<b>-</b>	<b>(246,843)</b>	<b>126,118</b>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2013

	<b>Six months ended</b>	
	<b>30 June 2013 HK\$'000 (unaudited)</b>	30 June 2012 HK\$'000 (unaudited)
NET CASH USED IN OPERATING ACTIVITIES	<b>(391)</b>	(49,856)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	<b>(52)</b>	(1,917)
Deposit paid for application of trading right	<b>–</b>	(2,000)
CASH USED IN INVESTING ACTIVITIES	<b>(52)</b>	(3,917)
FINANCING ACTIVITIES		
Loan from a shareholder	<b>30,000</b>	–
Repayment of obligations under finance leases	<b>(19)</b>	(19)
NET CASH FROM (USED IN) FINANCING ACTIVITIES	<b>29,981</b>	(19)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<b>29,538</b>	(53,792)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<b>65,482</b>	104,019
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	<b>19</b>	(246)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD, REPRESENTED BY BANK BALANCES (GENERAL ACCOUNTS) AND CASH	<b>95,039</b>	49,981



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2013

## 1. Basis of Preparation

The Company is an investment holding company. Its subsidiaries are principally engaged in trading of chemical products, provision of securities brokerage and financial services and asset management services. The Group has operation mainly in Hong Kong.

During the second half of the year ended 31 December 2012, the trading of telecommunication equipment was discontinued. Certain comparative figures in the condensed consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June 2012 had been restated to conform the presentation for the discontinued operation of the trading of telecommunication equipment.

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 and with Hong Kong Accounting Standard ("HKAS") 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.

The accounting policies used in the condensed consolidated financial statements for the six months ended 30 June 2013 are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2012.

In the current interim period, the Group has applied, for the first time, the following new and revised HKASs, Hong Kong Financial Reporting Standards ("HKFRSs") amendments and interpretation ("HK(IFRIC) – INT") (hereinafter collectively referred to as the "new and revised HKFRSs") issued by the HKICPA:

- |   |   |
|---|---|
| • HKFRS 10                                      | Consolidated financial statements;  |
| • HKFRS 11                                      | Joint arrangements;   |
| • HKFRS 12                                      | Disclosure of interests in other entities;  |
| • Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 | Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance; |
| • HKFRS 13                                      | Fair value measurement;   |
| • HKAS 19 (as revised in 2011)                  | Employee benefits;  |
| • HKAS 27 (as revised in 2011)                  | Separate Financial Statements;  |

## 2. Principal Accounting Policies *(continued)*

- HKAS 28 (as revised in 2011) Investments in associates and joint ventures;
- Amendments to HKFRS 7 Disclosures – Offsetting financial assets and financial liabilities;
- Amendments to HKAS 1 Presentation of items of other comprehensive income;
- Amendments to HKFRSs Annual improvements to HKFRSs 2009-2011 cycle; and
- HK(IFRIC) – Int 20 Stripping costs in the production phase of a surface mine.

### **New and revised Standards on consolidation, joint arrangements, associates and disclosures**

In the current interim period, the Group has applied for the first time HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011) together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding the transitional guidance. HKAS 27 (as revised in 2011) is not applicable to these condensed consolidated financial statements as it deals only with separate financial statements.

The impact of the application of these standards is set out below.

### **Impact of the application of HKFRS 10**

HKFRS 10 replaces the parts of HKAS 27 “Consolidated and Separate Financial Statements” that deal with consolidated financial statements and HK(SIC)-Int 12 Consolidation – Special Purpose Entities. HKFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee. Some guidance included in HKFRS 10 that deals with whether or not an investor that owns less than 50% of the voting rights in an investee has control over the investee is relevant to the Group.

The directors of the Company reviewed and assessed the Group’s investments in accordance with the requirements of HKFRS 10. The directors of the Company concluded that there was no impact to the Group’s results for the adoption of HKFRS 10.

## 2. Principal Accounting Policies *(continued)*

### **HKFRS 13 Fair value measurement**

The Group has applied HKFRS 13 for the first time in the current interim period. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements, and replaces those requirements previously included in various HKFRSs. Consequential amendments have been made to HKAS 34 to require certain disclosures to be made in the interim condensed consolidated financial statements.

The scope of HKFRS 13 is broad, and applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, subject to a few exceptions. HKFRS 13 contains a new definition for 'fair value' and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

In accordance with the transitional provisions of HKFRS 13, the Group has applied the new fair value measurement and disclosure requirements prospectively. Disclosures of fair value information are set out in note 15. The application of HKFRS 13 has no impact to the fair value measurements of the Group's assets and liabilities.

### **Amendments to HKAS 1 Presentation of items of other comprehensive income**

The amendments to HKAS 1 introduce new terminology for statement of comprehensive income and income statement. Under the amendments to HKAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the existing option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

## 2. Principal Accounting Policies *(continued)*

### **Amendments to HKFRS 7 Disclosures – Offsetting financial assets and financial liabilities**

The amendments to HKFRS 7 require entities to disclose information about rights of offset and related arrangements for financial instruments under an enforceable master netting agreement or similar arrangement. The directors of the Company reviewed the Group's financial assets and financial liabilities and additional disclosures are made in note 16 regarding the offsetting of financial assets and financial liabilities.

Except as described above, the application of the other new or revised HKFRSs in the current interim period has had no material impact on the amounts reported in these condensed consolidated financial statements and/or on the disclosures set out in these condensed consolidated financial statements.

## 3. Segment Information

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

1. Trading of chemical products.
2. Securities brokerage and financial services.
3. Asset management services.

The segment information reported below does not include any amounts for the discontinued operations of trading of telecommunication equipment, which are described in more detail in note 5. In prior period, the relevant discontinued operation segment was presented as a separate reportable segment and therefore, segment results for prior period is restated. Information regarding the above reportable and operating segments is reported below.



### 3. Segment Information *(continued)*

#### Continuing operations

	Trading of chemical products Six months ended		Securities brokerage and financial services Six months ended		Asset management services Six months ended		Total Six months ended	
	30 June 2013 HK\$'000	30 June 2012 HK\$'000	30 June 2013 HK\$'000	30 June 2012 HK\$'000	30 June 2013 HK\$'000	30 June 2012 HK\$'000	30 June 2013 HK\$'000	30 June 2012 HK\$'000
								(Restated)
REVENUE								
External sales	39,781	–	1,647	2,431	993	833	42,421	3,264
Inter-segment sales	–	–	–	–	3,001	2,394	3,001	2,394
Segment revenue	39,781	–	1,647	2,431	3,994	3,227	45,422	5,658
Elimination							(3,001)	(2,394)
Group revenue							42,421	3,264
RESULTS								
Segment results	(296)	–	(4,351)	(3,351)	(1,696)	(1,258)	(6,343)	(4,609)
Other income							2	3
Corporate expenses							(13,605)	(13,077)
Share options expense							–	(6,552)
Finance costs							(175)	(1,775)
Loss before taxation							(20,121)	(26,010)

Segment results represent the financial results of each segment without allocation of other income, corporate expenses, share options expense and certain finance costs. This is the measure reported to the board of directors for the purposes of resources allocation and performance assessment.

### 3. Segment Information *(continued)*

The following is an analysis of the Group's assets by reportable and operating segment:

#### Continuing operations

	<b>30 June 2013 HK\$'000</b>	31 December 2012 HK\$'000
Segment assets:		
Trading of chemical products	<b>23,912</b>	–
Securities brokerage and financial services	<b>36,550</b>	49,402
Asset management services	<b>507</b>	1,129
Total segment assets	<b>60,969</b>	50,531
Bank balances (general accounts) and cash	<b>95,039</b>	65,482
Other assets	<b>2,321</b>	2,648
Consolidated total assets	<b>158,329</b>	118,661
Segment liabilities:		
Trading of chemical products	<b>31,691</b>	–
Securities brokerage and financial services	<b>10,088</b>	9,461
Total segment liabilities	<b>41,779</b>	9,461
Tax liabilities	<b>81</b>	81
Loan from a shareholder	<b>30,000</b>	–
Other liabilities	<b>1,798</b>	4,346
Consolidated total liabilities	<b>73,658</b>	13,888

#### 4. Taxation

No provision for Hong Kong Profits Tax has been made in the condensed consolidated financial statements for the six months ended 30 June 2012 and 30 June 2013 as the Company and its subsidiaries had no assessable profits arising in Hong Kong during the period. Hong Kong Profits Tax is charged at 16.5% of the estimated assessable profit for the six months ended 30 June 2012 and 30 June 2013.

No provision for Enterprise Income Tax of the People's Republic of China (the "PRC") has been made in the condensed consolidated financial statements for the six months ended 30 June 2012 and 30 June 2013 as the subsidiary in the PRC had incurred tax loss for the period. Under the law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of PRC subsidiaries is 25% for current and prior interim periods.

#### 5. Discontinued Operations

On 31 October 2012, the Group entered into a sale agreement to dispose of a subsidiary, Goodness Come Investments Limited and its subsidiaries, which carried out all of the Group's trading of telecommunication equipment operations. The disposal was completed on 24 December 2012. The loss for the period from the discontinued operation was analysed as follows:

	Six months ended	
	30 June 2013 HK\$'000 (unaudited)	30 June 2012 HK\$'000 (unaudited)
Loss of trading of telecommunication equipment operations for the period	—	(918)

## 5. Discontinued Operations *(continued)*

The results of trading of telecommunication equipment operations for the period, which had been included in the condensed consolidated statement of profit or loss and other comprehensive income, were as follows:

	Six months ended	
	30 June 2013 HK\$'000 (unaudited)	30 June 2012 HK\$'000 (unaudited)
Revenue	–	39,887
Other income	–	299
Purchase of inventories for trading businesses	–	(38,083)
Salaries, commission and related benefits	–	(358)
Depreciation	–	(679)
Other expenses	–	(1,984)
Loss before taxation	–	(918)
Taxation	–	–
Loss for the period	–	(918)

Loss for the period from discontinued operations included the following:

	Six months ended	
	30 June 2013 HK\$'000 (unaudited)	30 June 2012 HK\$'000 (unaudited)
Rental income	–	(255)



## 6. Loss for the Period

The Group's loss for the period from continuing operations has been arrived at after charging:

	Six months ended	
	30 June 2013 HK\$'000 (unaudited)	30 June 2012 HK\$'000 (unaudited)
Share options expense	–	6,552

## 7. Dividend

No dividend was paid, declared or proposed during the six months period ended 30 June 2012 and 30 June 2013. The directors do not recommend the payment of an interim dividend.

## 8. Loss Per Share

### From continuing and discontinued operations

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

	Six months ended	
	30 June 2013 HK\$'000 (unaudited)	30 June 2012 HK\$'000 (unaudited)
Loss for the purposes of basic and diluted loss per share	(20,121)	(26,928)

	Number of shares	
	30 June 2013	30 June 2012
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	1,612,012,911	1,340,411,043

The computation of diluted loss per share from continuing and discontinued operations for the current and prior interim periods does not assume the exercise of share options since it would result in a decrease in loss per share from continuing and discontinued operations.

## 8. Loss Per Share *(continued)*

### From continuing operations

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

	Six months ended	
	30 June 2013 HK\$'000 (unaudited)	30 June 2012 HK\$'000 (unaudited)
Loss for the period attributable to owners of the Company	(20,121)	(26,928)
Effect of loss for the period from discontinued operations	–	918
Loss for the purposes of basic and diluted loss per share from continuing operations	(20,121)	(26,010)

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

### From discontinued operations

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

	Six months ended	
	30 June 2013 HK\$'000 (unaudited)	30 June 2012 HK\$'000 (unaudited)
Loss for the period from discontinued operations	–	(918)
Loss per share from discontinued operations attributable to owners of the Company		
Basic and diluted	N/A	HK\$(0.0007)

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

## 9. Property, Plant and Equipment

During the six months ended 30 June 2013, the Group acquired property, plant and equipment at an aggregate cost of approximately HK\$52,000 (six months ended 30 June 2012: HK\$1,917,000).

## 10. Trade and Bills Receivables and Other Receivables and Prepayments

	<b>30 June 2013 HK\$'000 (unaudited)</b>	31 December 2012 HK\$'000 (audited)
Trade and bills receivables from trading business	<b>23,885</b>	–
Trade receivables arising from the business of securities brokerage		
– Cash clients	<b>3,650</b>	15
– Hong Kong Securities Clearing Company Limited (“HKSCC”)	<b>306</b>	1,600
	<b>3,956</b>	1,615
Loans to securities margin clients	<b>19,754</b>	32,049
Trade receivables from asset management services	<b>183</b>	1,083
Other receivables and prepayments	<b>2,477</b>	2,446
	<b>50,255</b>	37,193

As at 30 June 2013 and 2012, all trade and bills receivables from trading business and business of securities brokerage were aged within 30 days.

The Group allows a credit period of 90 days to its trading customers from trading business. The settlement terms of trade receivables arising from the business of securities brokerage are usually one to two days after the trade date.

The Group offsets certain trade receivables and trade payables when the Group currently has a legally enforceable right to set off the balances and intends either to settle on a net basis, or to realise the balances simultaneously.

## 10. Trade and Bills Receivables and Other Receivables and Prepayments

(continued)

Loans to securities margin clients are repayable on demand and bear interest from 8% to 13% (31 December 2012: 8% to 13%) per annum. In the opinion of the directors, no aged analysis is disclosed as the aged analysis does not give additional value. The loans are secured by pledged marketable securities at fair value of approximately of HK\$196,666,000 (31 December 2012: HK\$107,061,000). The percentage of collateral over the outstanding balance as at 30 June 2013 is ranged from 178% to 11640% (31 December 2012: from 157% to 1846%). The fair value of pledged marketable securities of each individual margin client is higher than the corresponding outstanding loan. The Group is permitted to sell or repledge the marketable securities if the customer defaults payments.

The Group does not provide any credit term to its asset management services clients. The aged analysis of trade receivables arising from these clients base on invoice date is as follows:

### Trade receivables from asset management services

	<b>30 June 2013 HK\$'000 (unaudited)</b>	31 December 2012 HK\$'000 (audited)
0 to 30 days	<b>163</b>	1,059
31 to 60 days	<b>11</b>	3
61 to 90 days	<b>9</b>	21
	<b>183</b>	1,083



## 11. Trade and Bills Payables and Other Payables and Accruals

	<b>30 June 2013 HK\$'000 (unaudited)</b>	31 December 2012 HK\$'000 (audited)
Trade and bills payables from trading business	<b>31,691</b>	–
Trade payables arising from the business of securities brokerage and financial services		
– cash clients	<b>6,010</b>	4,137
– future clients	<b>304</b>	36
– HKSCC	<b>3,138</b>	18
	<b>9,452</b>	4,191
Amounts due to securities margin clients	<b>128</b>	5,287
Other payables and accruals	<b>2,218</b>	4,222
	<b>43,489</b>	13,700

As at 30 June 2013, trade and bills payables from trading business were aged within 90 days.

The settlement term of trade payables arising from the business of securities brokerage and financial services is two days after the trade date and aged within 30 days. Included in the trade payables of cash clients arising from the business of securities brokerage and financial services, an amount of HK\$5,203,000 (31 December 2012: HK\$4,059,000) bears prevailing market deposit rate at 0.001% (31 December 2012: 0.001%) per annum.

Amounts due to securities margin clients are repayable on demand and interest free. In the opinion of the directors, no aged analysis is disclosed for amounts due to securities margin clients as the aged analysis does not give additional value.

## 12. Loan from a Shareholder

The loan is borrowed from the controlling shareholder of the Company, Mr. Hu Yishi. Amount is unsecured, carried interest at 3.5% per annum and will be repaid on 26 October 2013.

### 13.Share Capital

	Number of ordinary shares of HK\$0.10 each	Nominal value HK\$'000
<b>Authorised:</b>		
At beginning and end of the period	2,000,000,000	200,000
<b>Issued and fully paid:</b>		
At 1 January 2012	1,178,402,911	117,840
Conversion of convertible notes ( <i>Note</i> )	433,610,000	43,361
At 30 June 2012, 31 December 2012 and 30 June 2013	1,612,012,911	161,201

Note: During the period ended 30 June 2012, 433,610,000 ordinary shares at par value of HK\$0.1 each were issued as a result of conversion of the convertible notes with aggregate principal amount of HK\$60,018,000.

### 14.Major Non-Cash Transaction

During the six months ended 30 June 2012, the holder of convertible notes with principal amount of HK\$60,018,000 had converted the convertible notes into 433,610,000 Company's shares. Details were disclosed in note 13.

### 15.Fair Value Measurement

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in these condensed consolidated financial statements approximate their fair values.

## 16. Offsetting Financial Assets and Financial Liabilities

The Group offsets the following trade receivables and trade payables as the Group currently has a legally enforceable right to set off the balance, and intends either to settle on a net basis, or to realise the balance simultaneously.

	Gross amounts of recognised financial assets		Gross amounts of recognised financial liabilities off set in the condensed consolidated statement of financial position		Net amounts of financial assets presented in the condensed consolidated statement of financial position	
	30 June 2013 HK\$'000 (unaudited)	31 December 2012 HK\$'000 (audited)	30 June 2013 HK\$'000 (unaudited)	31 December 2012 HK\$'000 (audited)	30 June 2013 HK\$'000 (unaudited)	31 December 2012 HK\$'000 (audited)
<b>Financial assets by counterparty</b>						
Trade receivables arising from the business of securities brokerage						
– Cash clients (note 1)	14,990	528	(11,340)	(513)	3,650	15
– HKSCC (note 2)	12,431	2,248	(12,125)	(648)	306	1,600
<b>Total</b>	<b>27,421</b>	<b>2,776</b>	<b>(23,465)</b>	<b>(1,161)</b>	<b>3,956</b>	<b>1,615</b>

	Gross amounts of recognised financial liabilities		Gross amounts of recognised financial assets off set in the condensed consolidated statement of financial position		Net amounts of financial liabilities presented in the condensed consolidated statement of financial position	
	30 June 2013 HK\$'000 (unaudited)	31 December 2012 HK\$'000 (audited)	30 June 2013 HK\$'000 (unaudited)	31 December 2012 HK\$'000 (audited)	30 June 2013 HK\$'000 (unaudited)	31 December 2012 HK\$'000 (audited)
<b>Financial liabilities by counterparty</b>						
Trade payables arising from the business of securities brokerage and financial services						
– Cash clients (note 1)	17,350	4,650	(11,340)	(513)	6,010	4,137
– Future clients (note 1)	304	36	–	–	304	36
– HKSCC (note 2)	15,263	666	(12,125)	(648)	3,138	18
<b>Total</b>	<b>32,917</b>	<b>5,352</b>	<b>(23,465)</b>	<b>(1,161)</b>	<b>9,452</b>	<b>4,191</b>

### Notes:

- (1) Under the agreement signed between the Group and the customers, money obligations receivable and payable with the same customer are settled on net basis.
- (2) Under the Continuous Net Settlement, money obligations receivable and payable with HKSCC on the same settlement date are settled on net basis.

## 16. Offsetting Financial Assets and Financial Liabilities (continued)

The tables below reconcile the “Net amounts of financial assets and financial liabilities presented in the condensed consolidated statement of financial position”, as set out above, to the line items presented in the condensed consolidated statement of financial position.

	30 June 2013 HK\$'000 (unaudited)	31 December 2012 HK\$'000 (audited)
<b>Trade and bills receivables and other receivables and prepayments</b>		
Net amount of trade receivables as stated above	3,956	1,615
Amount not in scope of offsetting disclosures	46,299	35,578
Total amount of trade and bills receivables and other receivables and prepayments as stated in note 10	50,255	37,193
<b>Trade and bills payables and other payables and accruals</b>		
Net amount of trade payables as stated above	9,452	4,191
Amount not in scope of offsetting disclosures	34,037	9,509
Total amount of trade and bills payables and other payables and accruals as stated in note 11	43,489	13,700

## 17. Related Party Transactions

Except the loan from a shareholder as set out in the condensed consolidated statement of financial position on page 5 and note 12, the Group has entered into the following related party transactions.

- (a) During the six months ended 30 June 2012, the Company recognised interest expenses on convertible notes of HK\$1,775,000 which were held by Front Riches Investments Limited, the ultimate holding company of the Group.
- (b) During the six months ended 30 June 2013, the Company recognised interest expenses on loan from a shareholder of HK\$175,000.
- (c) During the six months ended 30 June 2013, the Company recognised management fee income on asset management of approximately HK\$924,000 (six months ended 30 June 2012: HK\$743,000) from Sheng Yuan China Growth Fund (the “Fund”) in which Ms. Lin Min, the chairlady and an executive director of the Company, and Mr. Hu Yishi, the spouse of Ms. Lin Min and the controlling shareholder of the Company, together held all the participating shares in the Fund as at 30 June 2013.

## 17.Related Party Transactions *(continued)*

### (d) Compensation of key management personnel

The remuneration of directors and other members of key management during the period was as follows:

	Six months ended	
	<b>30 June 2013 HK\$'000</b>	30 June 2012 HK\$'000
Salaries and other short-term employee benefits	<b>6,214</b>	5,146
Share options expense	<b>–</b>	2,872
	<b>6,214</b>	8,018

The remuneration of directors and key executives is determined having regard to the performance of individuals and market trends.

## 18.Event After the End of the Reporting Period

On 24 July 2013, the Company granted 40,000,000 share options to certain directors and grantees.



## INTERIM DIVIDEND

The directors of the Company (the “Directors”) do not recommend the payment of interim dividend for the six months ended 30 June 2013 (six months ended 30 June 2012: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business and Financial Review

For the six months ended 30 June 2013 (the “Interim Period”), revenue of the Group from continuing operations increased to HK\$42.4 million, as compared with approximately HK\$3.3 million for the six months ended 30 June 2012 (the “Comparable 6-Month Period”), which is largely attributable to an additional stream of income from the trial operations in trading of chemical products during the Interim Period. Loss attributable to owners of the Company for the Interim Period was approximately HK\$20.1 million, as compared with approximately HK\$27.4 million of the Comparable 6-Month Period. The loss recorded was mainly due to the continually weak financial markets in Hong Kong hampering the development of the Group’s financial services platform in Hong Kong, despite the Group’s reduced overhead expenses during the Interim Period. In the financial year ended 31 December 2012, the Group has discontinued its trading of telecommunication equipment in the PRC, and no further contribution was made during the Interim Period (Comparable 6-Month Period: Loss of HK\$0.9 million).

During the Interim Period, the Group continued its efforts in developing its financial services platform comprising its securities brokerage and financial services arm Sheng Yuan Securities Limited (“SYSL”) and its asset management service arm Sheng Yuan Asset Management Limited (“SYAML”). Business of SYSL and SYAML were stable during the Interim Period, recording approximately HK\$1.6 million and approximately HK\$1.0 million in revenue respectively (Comparable 6-Month Period: approximately HK\$2.4 million and approximately HK\$0.8 million). As SYSL and SYAML are still in the development stage and revenues have yet to reach levels sufficient to overcome overheads, segmental losses of approximately HK\$4.4 million and HK\$1.7 million were recorded respectively during the Interim Period (Comparable 6-Month Period: Loss of HK\$3.4 million and HK\$1.3 million).

To diversify its income stream, the Group has been exploring new business opportunities including but not limited to those related to the resources industry. As such, the Group has commenced trial operations in the trading of chemical products in April 2013, which contributed revenue of approximately HK\$39.8 million and a segmental loss of approximately HK\$0.3 million during the Interim Period.

## MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

### Prospects

With securities brokerage as core, the Group will continue to explore and expand into other facets of a financial service platform, which will be facilitated by its capability of providing a full array of services including advising and dealing in securities and futures contracts, asset management and corporate finance. As the economy and financial market regain momentum, the Group will be set to capitalize on available opportunities in the market via enhancing the commission and financing income of the securities brokerage business, as well as further cultivating the other services in support of its development, including but not limited to asset management and corporate finance advisory services.

With the aim to providing healthy returns for the shareholders of the Company, the Group continues to seek suitable business opportunities towards which to develop, and the trial operations in the trading of chemical products during the Interim Period is amongst them. The Group shall continue to monitor the development of this line of business in respect of its earning contribution to the Group (which is currently insignificant) and may further seek other business opportunities as appropriate.

### Acquisitions and Disposals

There was no material acquisition or disposal during the Interim Period.

### Liquidity and Financial Resources

As at the end of the Interim Period, cash and bank balances in general accounts and maintained by the Group were approximately HK\$95.0 million, as compared with approximately HK\$65.5 million as at 31 December 2012. Balances in trust and segregated accounts were approximately HK\$5.7 million (31 December 2012: approximately HK\$8.0 million). During the Interim Period, trade and bills receivables and other receivables and prepayments have increased from approximately HK\$37.2 million to approximately HK\$50.3 million, which included trade and bills receivables relating to the trading business of approximately HK\$23.9 million. Trade and bills payables and other payables and accruals have also increased from approximately HK\$13.7 million to approximately HK\$43.5 million, which was largely attributable to the Group's newly commenced trading business. During the Interim Period, the Group had also been provided with a HK\$30.0 million loan from its major shareholder, which was recorded in the Group's current liabilities. As a result of all of the above, the Group's current assets and current liabilities as at the end of the Interim Period were approximately HK\$151.0 million (31 December 2012: HK\$110.6 million) and approximately HK\$73.6 million (31 December 2012: HK\$13.8 million) respectively. The Group has no borrowings as at 30 June 2013. The gearing of the Group, measured as total debts to total assets, remained healthy at approximately 18.9% as at the end of the Interim Period despite increasing from approximately 0% as at 31 December 2012. At the end of the Interim Period, the Group recorded net assets of approximately HK\$84.7 million as compared with approximately HK\$104.8 million as at 31 December 2012, which was largely due to the loss recorded during the Interim Period. During the Interim Period, the Group financed its operation with internally generated cash flow, funds from the disposal of the Group's trading of telecommunication equipment business in December 2012 and the aforementioned shareholder's loan.

## MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

### Foreign Exchange Exposure

The Group's transactions are mainly denominated in Hong Kong dollars and Renminbi. Foreign exchange exposure of the Group is considered minimal as the exchange rate of Renminbi against Hong Kong dollars were relatively stable during the Interim Period. Therefore, the Group has not engaged in any hedging contracts during the Interim Period. The Group will from time to time review and monitor exchange risks, and consider employing foreign exchange hedging arrangements when appropriate and necessary.

### Capital Structure

There has been no change to the capital structure of the Group during the Interim Period.

### Contingent Liabilities

As at 30 June 2013, the Group did not have any material contingent liabilities.

### Pledge of Assets

As at 30 June 2013, the obligations under finance leases of approximately HK\$88,000 were pledged by the assets with carrying amount of HK\$116,900.

### Employees and Remuneration Policies

As at 30 June 2013, the Group employed approximately 37 employees. The remuneration policy and package of the Group's employees are maintained at market level and are reviewed annually by management. In addition to basic salary, discretionary bonuses, mandatory pension fund and medical insurance scheme, share options may also be granted to eligible employees at the discretion of the Board and are subject to the performance of the individual employees as well as the Group.

## DIRECTORS' INTERESTS IN SHARES

At 30 June 2013, the interests and short positions of the Directors and chief executive of the Company in the shares capital and underlying shares and convertible notes 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 pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

### Long position – ordinary shares of HK\$0.10 each of the Company

Name of Director	Capacity	Number of shares held	Percentage of the issued share capital of the Company
Ms. Lin Min ( <i>Note</i> )	Interest of spouse	405,154,800	25.13%
Mr. Wu Siu Lam, William	Beneficial owner	152,677	0.01%

*Note:* These shares are held by Front Riches Investments Limited ("Front Riches") which is wholly owned by Mr. Hu Yishi, the spouse of Ms. Lin Min.

### Long position – share options

Name of Directors	Capacity	Number of options held	Number of underlying shares
Ms. Lin Min	Beneficial owner	8,900,000	8,900,000
Mr. Yip Kar Hang, Raymond	Beneficial owner	11,000,000	11,000,000
Ms. Kwong Wai Man, Karina	Beneficial owner	10,000,000	10,000,000
Mr. Cheung Kwok Keung	Beneficial owner	600,000	600,000
Mr. Lam Kam Tong	Beneficial owner	600,000	600,000

Save as disclosed above, as at 30 June 2013, none of the Directors or chief executives had registered an interest or short position in the shares, underlying shares or convertible notes 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' INTERESTS IN SHARES *(continued)*

### Directors' rights to acquire shares or debentures

Other than share option scheme of the Company, at no time during the Interim Period was the Company or any of its subsidiaries a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and none of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the Interim Period.

### Substantial shareholders' interests

As at 30 June 2013, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that, other than interest disclosed above in respect of certain Directors and chief executive, the following shareholders had notified the Company of their relevant interests in the shares, underlying shares and convertible notes of the Company.

### Long position – Ordinary shares of HK\$0.10 each of the Company

Name of shareholder	Capacity	Number of shares held	Percentage of the issued share capital of the Company
Front Riches <i>(Note 1)</i>	Beneficial owner	405,154,800	25.13%
Tse Dik Chi	Beneficial owner	200,000,000	12.41%
King Lion Group Limited <i>(Note 2)</i>	Beneficial owner	158,500,000	9.83%

Notes:

(1) Front Riches is a corporation controlled by Mr. Hu Yishi, whose spouse, Ms. Lin Min, is an executive Director.

(2) King Lion Group Limited is wholly owned by Smart Chant Limited which in turn is wholly owned by Mr. Gao Yongzhi.

Other than the interests disclosed above, the register of substantial shareholders maintained by the Company pursuant to section 336 of the SFO discloses no other person as having a notifiable interest or short position in the shares, underlying shares and convertible notes of the Company as at 30 June 2013.



## SHARE OPTIONS

The followings are the details of the share options of the Company and their movements during the Interim Period:

Grantee	Grant date	Exercise price (HK\$)	Vesting period	Exercisable period	Outstanding at 1/1/2013	Cancelled/ Lapsed during the Interim Period	Outstanding at 30/06/2013	Closing price per share before date on which options were granted
<b>Executive Directors</b>								
Lin Min	25/8/2011	0.56	N/A	25/8/2011-25/8/2021	3,560,000		3,560,000	0.57
	25/8/2011	0.56	25/8/2011-24/8/2012	25/8/2012-25/8/2021	5,340,000		5,340,000	0.57
Yip Kar Hang, Raymond	25/8/2011	0.56	N/A	25/8/2011-25/8/2021	4,400,000		4,400,000	0.57
	25/8/2011	0.56	25/8/2011-24/8/2012	25/8/2012-25/8/2021	6,600,000		6,600,000	0.57
Kwong Wai Man, Karina	25/8/2011	0.56	N/A	25/8/2011-25/8/2021	4,000,000		4,000,000	0.57
	25/8/2011	0.56	25/8/2011-24/8/2012	25/8/2012-25/8/2021	6,000,000		6,000,000	0.57
<b>Independent non-executive Directors</b>								
Cheung Kwok Keung	25/8/2011	0.56	N/A	25/8/2011-25/8/2021	240,000		240,000	0.57
	25/8/2011	0.56	25/8/2011-24/8/2012	25/8/2012-25/8/2021	360,000		360,000	0.57
Lam Kam Tong	25/8/2011	0.56	N/A	25/8/2011-25/8/2021	240,000		240,000	0.57
	25/8/2011	0.56	25/8/2011-24/8/2012	25/8/2012-25/8/2021	360,000		360,000	0.57
Others	25/8/2011	0.56	N/A	25/8/2011-25/8/2021	7,520,000	(2,280,000)	5,240,000	0.57
	25/8/2011	0.56	25/8/2011-24/8/2012	25/8/2012-25/8/2021	11,280,000	(3,420,000)	7,860,000	0.57
					49,900,000	(5,700,000)	44,200,000	
Exercisable at the end of Interim Period							44,200,000	

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

During the Interim Period, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

## CORPORATE GOVERNANCE

The Company is committed to maintain high standard of corporate governance standards and procedures to safeguard the interests of all shareholders and to enhance accountability and transparency. The Company has complied with the code on corporate governance practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the Interim Period except the following deviation:

Under the Code provision A.6.7, independent non-executive directors and other non-executive directors should attend general meetings. Mr. Lam Kam Tong, an independent non-executive Director, was unable to attend the annual general meeting of the Company held on 23 May 2013 due to his unavoidable business engagement.

Under the Code provision E.1.2., the chairman of the board should attend the annual general meeting. However, in the annual general meeting held on 23 May 2013, our chairman was unable to attend the meeting as she had other business commitments. She appointed Mr. Yip Kar Hang, Raymond to chair the meeting on her behalf.

## CHANGES OF DIRECTOR'S INFORMATION

The Company is not aware of other changes in the Directors' information which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules subsequent to the publication of the 2012 annual results in March 2013.

## AUDIT COMMITTEE

The audit committee of the Company currently comprises Mr. Cheung Kwok Keung (chairman), Mr. Lam Kam Tong and Mr. Qi Wenju, all of whom are independent non-executive Directors with appropriate professional qualifications and experience in financial matters. The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed the internal control and financial reporting matters. The interim results and the unaudited financial statements for the six months ended 30 June 2013 have been reviewed by the audit committee.

## REMUNERATION COMMITTEE

The remuneration committee of the Company was established, with specific terms of reference in compliance with the Code as set out in Appendix 14 to the Listing Rules. The remuneration committee is responsible for making recommendations to the Board on the Company's policy and packages of employment for the Directors and senior management. It comprises three independent non-executive Directors. The present members are Mr. Cheung Kwok Keung (chairman), Mr. Lam Kam Tong and Mr. Qi Wenju.

## NOMINATION COMMITTEE

The nomination committee of the Company was established, with specific term of reference in compliance with the Code as set out in Appendix 14 to the Listing Rules. The nomination committee is required, amongst other things, to review the structure, size and composition of the Board and make recommendations for changes as necessary, to identify individuals suitably qualified to become board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships, to assess the independence of independent non-executive Directors, and to make recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for Directors in particular the chairman and the chief executive officer. It comprises one executive Director namely Ms. Lin Min (chairman), and two independent non-executive Directors namely, Mr. Cheung Kwok Keung and Mr. Lam Kam Tong.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code of the Listing Rules as a code of conduct of the Company for directors' securities transactions. Having made specific enquiry of all Directors, the Directors have complied with the required standard set out in the Model Code and the Company's code of conduct regarding directors' securities transactions throughout the Interim Period.

## PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the website of the Company ([www.shengyuan.hk](http://www.shengyuan.hk)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). The interim report for the six months ended 30 June 2013 of the Company containing all information required by the Listing Rules will be dispatched to shareholders of the Company and available on the above websites in due course.

## BOARD OF DIRECTORS

As at the date of this report, the Board consists of Ms. Lin Min, Mr. Yip Kar Hang, Raymond, Ms. Kwong Wai Man, Karina and Mr. Wu Siu Lam, William (all being executive Directors), Mr. Cheung Kwok Keung, Mr. Lam Kam Tong and Mr. Qi Wenju (all being independent non-executive Directors).

By Order of the Board  
**Sheng Yuan Holdings Limited**  
**Yip Kar Hang, Raymond**

*Executive Director and Chief Executive Officer*

Hong Kong, 27 August 2013