



**2013 / 2014**  
**Interim Report**



**ABC Communications**

(Holdings) Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 30)

## CORPORATION INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors:

Mr. Chen Jiasong (*Chairman*)  
Mr. Cheung Wai Shing  
Mr. Song Gaofeng  
(retired on 30 September 2013)  
Ms. Ma Sai (resigned on 1 August 2013)

#### Non-Executive Director:

Mr. Qiu Hai Jian (retired on 30 September 2013)

#### Independent Non-Executive Directors:

Mr. Chen Haoyun, Jordy  
Mr. Lee Kwong Yiu  
Mr. Yau Chung Hang  
(appointed on 16 May 2013)  
Mr. Zhang Guang Hui

#### Chief Executive Officer:

Mr. Zhao Bao Long

### COMMITTEES

#### Audit Committee:

Mr. Yau Chung Hang (*Chairman*)  
Mr. Lee Kwong Yiu  
Mr. Zhang Guang Hui

#### Remuneration Committee:

Mr. Lee Kwong Yiu (*Chairman*)  
Mr. Yau Chung Hang  
Mr. Zhang Guang Hui  
Mr. Chen Jiasong  
Mr. Cheung Wai Shing

#### Nomination Committee:

Mr. Chen Jiasong (*Chairman*)  
Mr. Yau Chung Hang  
Mr. Zhang Guang Hui  
Mr. Lee Kwong Yiu  
Mr. Cheung Wai Shing

### COMPANY SECRETARY

Mr. Cheung Wai Shing

### AUTHORIZED REPRESENTATIVES

Mr. Chen Jiasong  
Mr. Cheung Wai Shing

### REGISTERED OFFICE

Clarendon House,  
2 Church Street,  
Hamilton HM 11,  
Bermuda.

### PRINCIPAL PLACE OF BUSINESS

Room 2709-10, 27/F.,  
China Resources Building,  
No.26 Harbour Road  
Wanchai,  
Hong Kong

### AUDITORS

SHINEWING (HK) CPA Limited

### REGISTRARS

Computershare Hong Kong Investor Services  
Limited  
18th Floor, Hopewell Centre,  
183 Queen's Road East,  
Hong Kong

### SOLICITORS

Cheung & Choy Solicitors & Notaries

### HOMEPAGE

[www.0030hk.com](http://www.0030hk.com)

## ABC COMMUNICATIONS (HOLDINGS) LIMITED

The Board of Directors (the “Board”) of ABC Communications (Holdings) Limited (the “Company”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 September 2013, together with selected notes and comparative figures for the corresponding period in last year as follows:

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	<b>30 September 2013 HK\$ (Unaudited)</b>	31 March 2013 HK\$ (Audited)
<b>Non-current assets</b>			
Property, plant and equipment	5	<b>71,393,651</b>	68,052,797
Prepaid lease payments		<b>1,651,286</b>	1,626,953
Intangible assets	6	<b>323,338,663</b>	318,573,940
Prepayments for exploration and evaluation activities		<b>12,983,139</b>	12,791,819
		<b>409,366,739</b>	401,045,509
<b>Current assets</b>			
Trade receivables	7	<b>6,284,893</b>	6,375,134
Other receivables, deposits and prepayments		<b>5,427,903</b>	4,150,031
Loan receivables		–	41,649,280
Deposit paid for acquisition of subsidiaries		–	34,800,000
Held for trading investment		<b>15,080</b>	1,772,435
Bank balances and cash		<b>125,436,485</b>	31,395,321
		<b>137,164,361</b>	120,142,201
<b>Current liabilities</b>			
Trade and other payables	8	<b>18,342,297</b>	16,906,693
Advance subscriptions and licence fees received		<b>2,209,347</b>	2,271,841
Amount due to a substantial shareholder		–	754,385
Amounts due to directors		<b>1,834,821</b>	1,834,821
Amount due to non-controlling interest of a subsidiary		<b>4,375,651</b>	4,375,651
Tax payable		<b>2,217,683</b>	2,184,836
		<b>28,979,799</b>	28,328,227
<b>Net current assets</b>		<b>108,184,562</b>	91,813,974
<b>Total assets less current liabilities</b>		<b>517,551,301</b>	492,859,483

Note

**Non-current liabilities**

Provision for reinstatement costs  
Deferred tax liabilities

**Net assets**

**Capital and reserves**

Share capital  
Reserves

Equity attributable to owners of the Company  
Non-controlling interests

**Total equity**

**30 September  
2013  
HK\$  
(Unaudited)**

31 March  
2013  
HK\$  
(Audited)

**799,470  
77,443,661**

787,689  
76,302,451

**78,243,131**

77,090,140

**439,308,170**

415,769,343

**13,794,572  
301,181,441**

11,677,972  
281,164,707

**314,976,013  
124,332,157**

292,842,679  
122,926,664

**439,308,170**

415,769,343

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

		Six months ended 30 September	
	Notes	2013 HK\$ (Unaudited)	2012 HK\$ (Unaudited)
Turnover	4	29,579,426	32,532,187
Cost of sales		<b>(22,357,160)</b>	(24,831,282)
Gross profit		<b>7,222,266</b>	7,700,905
Bank interest income		<b>130,275</b>	288,249
Decrease in fair value of held for trading investments		<b>(8,060)</b>	(3,392,340)
Loss on disposal of held for trading investments		<b>(78,365)</b>	–
Fair value losses on derivative financial assets		–	(15,000)
General and administrative expenses		<b>(17,964,412)</b>	(19,733,618)
Finance costs		–	(693,228)
Loss before tax	10	<b>(10,698,296)</b>	(15,845,032)
Income tax	11	–	–
Loss for the period		<b>(10,698,296)</b>	(15,845,032)
Other comprehensive expense			
<b>Item that may be subsequently reclassified to profit or loss:</b>			
Exchange differences arising on translation of foreign operations and other comprehensive income (expense) for the period		<b>4,008,123</b>	(274,543)
Total comprehensive expense for the period		<b>(6,690,173)</b>	(16,119,575)
Loss for the period attributable to:			
Owners of the Company		<b>(9,547,253)</b>	(13,549,585)
Non-controlling interests		<b>(1,151,043)</b>	(2,295,447)
		<b>(10,698,296)</b>	(15,845,032)
Total comprehensive income (expense) for the period attributable to:			
Owners of the Company		<b>(8,095,666)</b>	(13,810,043)
Non-controlling interests		<b>1,405,493</b>	(2,309,532)
		<b>(6,690,173)</b>	(16,119,575)
<b>Loss per share</b>			
Basic and diluted	12	<b>(0.75) cents</b>	(1.45) cents

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company								
	Share capital HK\$	Share premium HK\$	Capital redemption reserve HK\$	Convertible bonds reserve HK\$	Exchange reserves HK\$	(Accumulated losses)	Sub-total HK\$	Non- controlling interests HK\$	Total HK\$
						Retained earnings HK\$			
As at 1 April 2012 (audited)	6,406,432	158,234,075	176,000	169,000	6,271,677	11,227,240	182,484,424	123,067,078	305,551,502
Loss for the period	-	-	-	-	-	(13,549,585)	(13,549,585)	(2,295,447)	(15,845,032)
Other comprehensive expense for the period	-	-	-	-	(260,458)	-	(260,458)	(14,085)	(274,543)
Total comprehensive expense for the period	-	-	-	-	(260,458)	(13,549,585)	(13,810,043)	(2,309,532)	(16,119,575)
Reclassification on maturity of convertible bonds	-	-	-	(169,000)	-	169,000	-	-	-
Issue of shares upon placing	5,271,540	129,405,500	-	-	-	-	134,677,040	-	134,677,040
Transaction costs attributable to placing of shares	-	(5,372,811)	-	-	-	-	(5,372,811)	-	(5,372,811)
As at 30 September 2012 (unaudited)	<u>11,677,972</u>	<u>282,266,764</u>	<u>176,000</u>	<u>-</u>	<u>6,011,219</u>	<u>(2,153,345)</u>	<u>297,978,610</u>	<u>120,757,546</u>	<u>418,736,156</u>

Attributable to owners of the Company

	Share capital HK\$	Share premium HK\$	Capital redemption reserve HK\$	Exchange reserves HK\$	Accumulated losses HK\$	Sub-total HK\$	Non- controlling interests HK\$	Total HK\$
As at 1 April 2013 (audited)	11,677,972	282,494,764	176,000	9,355,966	(10,862,023)	292,842,679	122,926,664	415,769,343
Loss for the period	-	-	-	-	(9,547,253)	(9,547,253)	(1,151,043)	(10,698,296)
Other comprehensive income for the period	-	-	-	1,451,587	-	1,451,587	2,556,536	4,008,123
Total comprehensive income (expense) for the period	-	-	-	1,451,587	(9,547,253)	(8,095,666)	1,405,493	(6,690,173)
Issue of shares upon placing	2,116,600	29,632,400	-	-	-	31,749,000	-	31,749,000
Transaction costs attributable to placing of shares	-	(1,520,000)	-	-	-	(1,520,000)	-	(1,520,000)
As at 30 September 2013 (unaudited)	13,794,572	310,607,164	176,000	10,807,553	(20,409,276)	314,976,013	124,332,157	439,308,170

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Six months ended 30 September

	2013 HK\$ (Unaudited)	2012 HK\$ (Unaudited)
Net cash used in operating activities	(12,013,006)	(6,519,602)
Net cash from investing activities	76,579,555	253,146
Net cash from financing activities	29,474,615	91,399,113
Net increase in cash and cash equivalents	94,041,164	85,132,657
Cash and cash equivalents at the beginning of the period	31,395,321	31,322,480
Cash and cash equivalents at the end of the period, represented by bank balances and cash	125,436,485	116,455,137



## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 1. GENERAL INFORMATION

ABC Communications (Holdings) Limited (the “Company”) is an investment holding company. The Company’s subsidiaries (together collectively referred to as the “Group”) are principally engaged in providing financial information services, wireless applications development, securities trading system licensing and mining operations.

The Company is incorporated in Bermuda with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The address of its principal place of business is Room 2709-10, 27/F, China Resources Building, No. 26 Harbour Road, Wanchai, Hong Kong.

This condensed consolidated interim financial information is presented in Hong Kong Dollars (“HK\$”) which is the functional currency of the Company, unless otherwise stated.

These condensed consolidated interim financial information were approved for issue on 29 November 2013.

### 2. BASIS OF PREPARATION

These condensed consolidated interim financial information for the six months ended 30 September 2013 has been prepared in accordance with Hong Kong Accounting Standards (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. These condensed consolidated interim financial information do not include all the information and disclosures required in the Group’s annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2013, which have been prepared in accordance with Hong Kong Financial Reporting Standards (the “HKFRSs”).

### 3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated interim financial information has been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values, as appropriate.

Except as described below, the accounting policies and methods of computation used in these condensed consolidated interim financial information for the six months ended 30 September 2013 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2013.

In the current interim period, the Group has applied, for the first time, the following new or revised HKFRSs that are relevant for the preparation of the Group's condensed consolidated interim financial information:

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
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
Amendments to HKFRS 1	Government Loans
HK (IFRIC*) – Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine

\* *IFRIC represents International Financial Reporting Interpretations Committee.*

### **3. PRINCIPAL ACCOUNTING POLICIES** *(continued)*

#### **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” and an “income statement” is renamed as a “statement of profit or loss”. 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 section such that items of other comprehensive income are grouped into two categories: (a) items that will not be subsequently reclassified to profit or loss; and (b) items that may be subsequently reclassified 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.

#### **Amendments to HKAS 34 Interim Financial Reporting**

The Group has applied the amendments to HKAS 34 Interim Financial Reporting as part of the Annual Improvements to HKFRSs 2009 – 2011 Cycle for the first time in the current interim period. The amendments to HKAS 34 clarify that the total assets and total liabilities for a particular reportable segment would be separately disclosed in the interim financial statements only when the amounts are regularly provided to the chief operating decision maker (CODM) and there has been a material change from the amounts disclosed in the last annual financial statements for that reportable segment.

Other than above, the application of the other new or revised HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated interim financial information and/or disclosures set out in these condensed consolidated interim financial information.

#### 4. SEGMENT INFORMATION

The Group's operating segments are determined based on the information reported to the chief operating decision maker, being the Board of Directors, for making strategic decisions and allocating resources.

The segments are managed separately as each business offers different products/service which requires different products/service information to formulate different business strategies. Specifically, the Group's reportable and operating segments are financial quotation and securities trading system licensing and mining operations as follows:

- (i) Financial quotation and securities trading system licensing segment engages in the provision of financial quotation services, wireless applications development and licensing of securities trading system.
- (ii) Mining operations segment engages in the extraction, exploration and sale of mineral products.

#### Segments results

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

	Financial quotation and securities trading system licensing		Mining operations		Total	
	Six months ended 30 September		Six months ended 30 September		Six months ended 30 September	
	2013 HK\$ (Unaudited)	2012 HK\$ (Unaudited)	2013 HK\$ (Unaudited)	2012 HK\$ (Unaudited)	2013 HK\$ (Unaudited)	2012 HK\$ (Unaudited)
Turnover	29,579,426	32,532,187	-	-	29,579,426	32,532,187
Segment (loss) profit	(206,864)	446,154	(2,276,604)	(5,377,425)	(2,483,468)	(4,931,271)
Unallocated corporate income					1,315	1,394
Unallocated corporate expenses					(8,216,143)	(10,221,927)
Finance costs					-	(693,228)
Loss before tax					(10,698,296)	(15,845,032)

#### 4. SEGMENT INFORMATION *(continued)*

##### Segment assets

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

	<b>As at</b>	
	<b>30 September</b>	31 March
	<b>2013</b>	2013
	<b>HK\$</b>	HK\$
	<b>(Unaudited)</b>	(Audited)
<b>Segment assets</b>		
Financial quotation and securities trading system licensing	<b>34,997,091</b>	35,381,260
Mining operations	<b>407,283,437</b>	401,839,872
Unallocated corporate assets	<b>104,250,572</b>	83,966,578
	<hr/>	<hr/>
Consolidated total assets	<b>546,531,100</b>	521,187,710

##### Segment liabilities

	<b>As at</b>	
	<b>30 September</b>	31 March
	<b>2013</b>	2013
	<b>HK\$</b>	HK\$
	<b>(Unaudited)</b>	(Audited)
<b>Segment liabilities</b>		
Financial quotation and securities trading system licensing	<b>9,631,515</b>	10,256,029
Mining operations	<b>93,467,686</b>	91,609,565
Unallocated corporate liabilities	<b>4,123,729</b>	3,552,773
	<hr/>	<hr/>
Consolidated total liabilities	<b>107,222,930</b>	105,418,367

## 5. PROPERTY, PLANT AND EQUIPMENT

**Property, plant  
and equipment**  
HK\$  
(Unaudited)

### Six months ended 30 September 2012

#### Carrying amount at 1 April 2012 (audited)

Additions	54,796,160
Exchange realignment	35,103
Depreciation	80,814
	<u>(4,876,705)</u>

#### Carrying amount at 30 September 2012

50,035,372

### Six months ended 30 September 2013

#### Carrying amount at 1 April 2013 (audited)

Additions	68,052,797
Exchange realignment	4,819,726
Depreciation	1,009,717
	<u>(2,488,589)</u>

#### Carrying amount at 30 September 2013

71,393,651

## 6. INTANGIBLE ASSETS

**Mining and  
exploration  
rights**  
HK\$  
(Unaudited)

### Six months ended 30 September 2012

<b>Carrying amount at 1 April 2012 (audited)</b>	314,753,126
Exchange realignment	(178,359)
<b>Carrying amount at 30 September 2012</b>	<u>314,574,767</u>

### Six months ended 30 September 2013

<b>Carrying amount at 1 April 2013 (audited)</b>	<b>318,573,940</b>
Exchange realignment	<u>4,764,723</u>
<b>Carrying amount at 30 September 2013</b>	<u><b>323,338,663</b></u>

## 7. TRADE RECEIVABLES

The Group's trade receivables from the financial quotation and securities trading and system licensing segment are due upon the presentation of invoices. The Group allowed a credit period of 180 days for its trade receivable from the mining operations. At 30 September 2013 and 31 March 2013, the aging analysis, based on the invoice date which approximated the respective revenue recognition dates, of the trade receivables is as follows:

	<b>As at</b>	
	<b>30 September 2013 HK\$ (Unaudited)</b>	31 March 2013 HK\$ (Audited)
0 – 3 months	<b>6,151,897</b>	4,760,656
Over 3 months	<b>132,996</b>	1,614,478
	<u><b>6,284,893</b></u>	<u>6,375,134</u>

## 8. TRADE AND OTHER PAYABLES

	As at	
	30 September 2013 HK\$ (Unaudited)	31 March 2013 HK\$ (Audited)
Trade payables	6,043,064	6,976,124
Receipt in advance	4,861,658	4,747,879
Other payables and accrued charges	7,437,575	5,182,690
	<u>18,342,297</u>	<u>16,906,693</u>

At 30 September 2013 and 31 March 2013, the aging analysis, based on the invoice date, of the trade payables was as follows:

	As at	
	30 September 2013 HK\$ (Unaudited)	31 March 2013 HK\$ (Audited)
0 – 3 months	6,014,049	6,976,124
Over 3 months	29,015	–
	<u>6,043,064</u>	<u>6,976,124</u>



## 9. SHARE CAPITAL

	<b>Authorised ordinary shares of HK\$0.01 each</b>	
	<b>Number of shares</b>	<b>Share capital HK\$</b>
As at 31 March 2013 (audited) and 30 September 2013 (Unaudited)	<u>6,000,000,000</u>	<u>60,000,000</u>

	<b>Ordinary shares of HK\$0.01 each Issued and fully paid</b>	
	<b>Number of shares</b>	<b>Share capital HK\$</b>
As at 1 April 2012 (audited)	640,643,200	6,406,432
Issue of shares on placing (note i)	<u>527,154,000</u>	<u>5,271,540</u>
As at 30 September 2012 (unaudited)	<u>1,167,797,200</u>	<u>11,677,972</u>
As at 1 April 2013 (audited)	1,167,797,200	11,677,972
Issue of shares on placing (note ii)	<u>211,660,000</u>	<u>2,116,600</u>
As at 30 September 2013 (unaudited)	<u>1,379,457,200</u>	<u>13,794,572</u>

- (i) On 15 May 2012, 26 June 2012 and 29 June 2012, the Company placed 86,154,000, 41,000,000 and 400,000,000 ordinary shares of HK\$0.01 each at HK\$0.26, HK\$0.305 and HK\$0.25 per share respectively. The placing raised net proceeds of HK\$21,740,024, HK\$12,092,360 and HK\$95,471,845 respectively.
- (ii) On 5 July 2013, the Company placed 211,660,000 ordinary shares of HK\$0.01 each at HK\$0.15 per share and raised net proceeds of HK\$30,229,000.

## 10. LOSS BEFORE TAX

The following items have been charged to the loss before tax for the six months ended 30 September 2013:

Depreciation of property, plant and equipment	<b>HK\$ (Unaudited)</b>
	<u><b>2,488,589</b></u>

The following items have been charged to the loss before tax for the six months ended 30 September 2012:

Depreciation of property, plant and equipment	<b>HK\$ (Unaudited)</b>
	<u><b>4,876,705</b></u>

## 11. INCOME TAX

Hong Kong Profits Tax has not been provided as the Group has no estimated assessable profits for the period ended 30 September 2013 (2012: Nil).

The Enterprise Income Tax under the Law of the People's Republic of China have not been provided as the Group has no estimated assessable profits for the period ended 30 September 2013 (2012: Nil).

## 12. LOSS PER SHARE

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

	<b>Six months ended 30 September</b>	
	<b>2013</b>	2012
	<b>HK\$</b>	HK\$
	<b>(Unaudited)</b>	(Unaudited)
Loss for the period attributable to owners of the Company	<b><u>(9,547,253)</u></b>	<u>(13,549,585)</u>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<b><u>1,268,422,446</u></b>	<u>931,990,738</u>

The computation of diluted earnings per share for the period ended 30 September 2012 did not assume the conversion of the Group's outstanding convertible bonds since their exercise would result in a decrease in loss per share.

For the period ended 30 September 2013, as no dilutive events existed during the period, the diluted loss per share was same as the basic loss per share.

### 13. DIVIDEND

No dividend was paid or proposed during the six months ended 30 September 2013, nor has any dividend been proposed since the end of the reporting period (2012: nil).

### 14. RELATED PARTY TRANSACTIONS

Key management compensation amounted to HK\$2,719,961 for the six months ended 30 September 2013 (2012: HK\$2,009,232).

### 15. EVENT AFTER THE REPORTING PERIOD

On 23 October 2013, the Company placed 275,890,000 ordinary shares of HK\$0.01 each at HK\$0.15 per share and raised net proceeds of HK\$39,530,000.

### 16. CAPITAL COMMITMENT

	<b>As at</b>	
	<b>30 September</b>	31 March
	<b>2013</b>	2013
	<b>HK\$</b>	HK\$
	<b>(Unaudited)</b>	(Audited)
Contracted for but not provided in respect of the acquisition of		
– Subsidiaries	–	170,000,000
– Property, plant and equipment	–	210,425
	<hr/>	<hr/>

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Operating Results**

For the six months ended 30 September 2013, the turnover of the Group amounted to approximately HK\$29.6 million, representing a decrease of 9% as compared to HK\$32.5 million in previous interim period. The total comprehensive expenses of the Group amounted to HK\$6.7 million, representing a decline of HK\$9.4 million as compared to the total comprehensive expenses of HK\$16.1 million in the previous interim period. The comprehensive expenses attributable to owners of the Company amounted to HK\$8.1 million, representing a decrease of HK\$5.7 million from that of previous period.

### **Interim Dividend**

The Directors did not recommend an interim dividend for the six months ended 30 September 2013.

### **Business Review**

The Group involves in two identifiable business segments namely the mining operation and the financial quotation services segment. The mining operation refers to the exploration and exploitation of mineral resources in China conducted by Jun Qiao Limited and its subsidiaries (the “Jun Qiao Group”). The financial quotation services segment includes (i) financial quotation services and securities trading system licensing provided by QuotePower International Limited (“QuotePower”); and (ii) wireless applications development provided by ABC QuickSilver Limited.

During the current interim period, the Group’s turnover was solely contributed by the financial quotation segment and no revenue was contributed by the mining operation.

### **The Mining Operations Segment**

The Jun Qiao Group holds 1 mining license in Henan and 2 exploration licenses in Henan and Xinjiang respectively. Mining properties of the Group includes the following:

#### **Yin Di Mining Area (銀地礦區) in Henan**

The Yin Di Mining Area is the only operating mine of the Group. It is located at Tongbai County in Henan Province and covers a mining area of approximately 1.81 km<sup>2</sup>. The mining area is 15 km away from Xining railways and connected to China National Highway 312, the traffic is considerably convenient. The mining license will be expired in December 2013. The Group has applied for renewing the mining license and was expected that the renewed mining license would be obtained before the end of the year.

The mining property is a polymetallic mine that contains gold, silver, lead and zinc ore deposits. After the Company has completed acquisition, the Yin Di Mining Area has undergone a large scale improvement, advancement and reinforcement in mining technologies for more efficient production and safety. These improvement works were originally expected to be completed in the second quarter of 2013. However, starting from the second half of 2012, the local municipal government has tightened the control and administration of dynamite. The supply of dynamite, the core material used in the mining site development was restricted. In most of the time, mining and site preparation could only be carried out by manual works and machines. This has significantly lowered efficiency and led to the postponement of the Group's development plan on the mining area.

For ease of management, the Group has employed a local construction team for the mining site preparation and development works. Improvement works on ore processing plant had been finished, while the improvement works on mining site was still in progress. Nevertheless, saleable mineral ores could still be extracted during the course of improvement works. The Group could sell mineral ores to customers. The mining site was under improvement works for the production of gold ores. When the site preparation works completes, the growth potential in turnover and profit for the mining operations would be realized.

### **Li Zi Yuan Mining Area (栗子園礦區) in Henan**

The mine is also located at Tongbai County of Henan, and is very close to the Yin Di Mining Area. Mining area covered by the exploration license was approximately 2.36 km<sup>2</sup>. Detailed geological survey and mineral resources exploration were undertaking. Although findings have not yet been concluded, various copper and gold mineralization zones have been identified. The management will formulate development plan and strategy once relevant reserve report and feasibility study are finalized and approved. The exploration license will be expired on 6 April 2014, and the Group was preparing to apply for converting the exploration license to mining license.

### **Hu Lei Si De Mining Area (呼勒斯德地區) in XinJiang**

The mine is located at Jai Tai County (奇台縣) of Xinjiang Uygur Autonomous Region with a total exploration mining area of 29.12 km<sup>2</sup>. The mining area is connected to gravel and asphalt roads, traffic is considered convenient. Detailed geological survey and mineral resources exploration were undertaking. At the moment, several gold mineralization zones and substantial coal reserves have been identified. The management will be formulated development plan and strategy once relevant reserve report and feasibility study are finalized and approved. The exploration license will be expired on 31 May 2014, and the Group will apply for the renewal of the exploration license early next year.

### **The Financial Quotation Segment**

The business segment includes (i) financial quotation services and securities trading system licensing provided by QuotePower International Limited ("QuotePower"); and (ii) wireless applications development provided by ABC QuickSilver Limited.

During the current interim period, QuotePower was still the core revenue contributor of the Group. Its turnover amounted to approximately HK\$29.6 million. As compared with the last interim period, turnover from QuotePower has been declined by 9%. This reflected loss of subscribers of our financial quotation services owing to the pessimistic market and investment sentiments. The loss from the segment amounted to HK\$0.21 million, representing a decline of HK\$0.66 million due to the drop in turnover as comparing to the profit from the segment amounted to HK\$0.45 million in the previous interim period. This also showed that even though the management of QuotePower was endeavor to improve efficiency and control the cost and expenses, but the room for further cost saving was limited.

### **General and Administrative Expenses**

During the current interim period, the Group's general and administrative expenses decreased by approximately HK\$1.7 million or 9%. The decrease was primarily due to the decrease in legal and professional fees incurred.

### **Finance Costs**

Finance costs decreased by 100% from HK\$0.69 million to nil. The Group had no bank borrowings.

### **Income Tax Expenses**

During the current interim period, no income tax expense has been recognized since the Group had no assessable profit.

### **Loss Per Share**

During the current interim period, the Company has suffered from a loss per share of 0.75 cents (30 September 2012: 1.45 cents).

### **Intangible Assets**

The Group's intangible assets, which comprised of mining right and reserves and exploration rights, amounted to approximately HK\$323 million, which was resulted from the acquisition of Jun Qiao in the previous year.

In ascertaining the carrying value and assessing if there is any impairment on the mining right and reserves, the Directors had engaged Roma Appraisal Limited ("Roma"), an independent valuer to perform valuations on the mining right and reserves. Based on the valuation report issued by Roma on 26 June 2013, the fair value of the Group's intangible assets as at 31 March 2013 was amounted to HK\$438 million. In assessing any possible impairment on the intangible assets as at 30 September 2013, the management considered that there was no material adverse change towards the economic parameters, reserves data and development plan adopted in preparing the valuation report for the fair value as at 31 March 2013. Thus the management believed that there would not be any material decline over the reference fair value of HK\$438 million, and concluded that no impairment needed to be provided in this interim financial statements. The management will closely monitor the fair value of the intangible assets and will engaged independent valuer to value the fair value of intangible assets at the end of each reporting period.

## **Trade Receivables**

The Group's trade receivables as at 30 September 2013 amounted to HK\$6.3 million which represented a decrease of HK\$0.1 million as comparing with the trade receivables of HK\$6.4 million as at 31 March 2013. The change is considered as immaterial.

## **Other Receivable, Deposits and Prepayments**

As at 30 September 2013, other receivables amounted to HK\$5.4 million (31 March 2013: HK\$4.2 million). The increase was mainly due to the prepaid renewal expenses for the mining licence.

## **Held for Trading Investment**

This represented investment in marketable securities held for short term trading purpose. The amount was stated at market value as at 30 September 2012. During the current interim period, a fair value loss of HK\$8,060 has been recognized.

## **Deferred Tax Liabilities**

During the current interim period, deferred tax liabilities contributed by Jun Qiao amounted to HK\$77.4 million, which was calculated at the tax rate of PRC Enterprise Income Tax of 25% mainly on the increase in fair value of intangible assets in accordance with the relevant accounting principle.

## **Share Capital and Fund Raising Activities**

As at 30 September 2013, the total number of issued ordinary shares of the Company was 1,379,457,200 shares (31 March 2013: 1,167,797,200 shares).

On 10 June 2013, the Company entered into a placing agreement with Orient Securities Limited as placing agent to place, on a best efforts basis, a maximum of 233,000,000 at a price of HK\$0.15 per share under a general mandate granted to the Directors at the annual general meeting held on 18 February 2013. Completion of the placing took place on 5 July 2013 where a total of 211,660,000 shares were placed. The gross proceeds from the placing was approximately HK\$31.75 million and the net proceeds from the placing, after deducting the placing commission and other professional fees incurred by the Company, was approximately HK\$30.23 million. The net placing price per share was approximately HK\$0.143. The net proceeds from the placing was intended to use as to approximately HK\$20 million for future potential investments, and the balance for general working capital of the Group. As at the date of this report, approximately HK\$6.2 million was used as general working capital of the Group and the balance remained unused.

On 25 July 2013, the Company entered into a placing agreement with Convoy Investment Services Limited as placing agent, on a best efforts basis, to procure subscribers to subscribe for the bonds of up to HK\$400,000,000 in principal amount (the "Bonds Issue"). The maximum gross and net proceeds from the Bonds Issue will be approximately HK\$400,000,000 and HK\$368,000,000. The Company intends to use the net proceeds from the Bonds Issue as to (i) not less than 70% of the net proceeds for financing any investment opportunities identified by the Group; (ii) not more than 20% of the net proceed for financing future development costs of the mining assets of the Group; and (iii) not more than 10% of the net proceeds for general working capital of the Group. The Bonds Issue has not been completed as of the date of this report.

## Financial Position

The Group's consolidated statement of financial position remained solid. Shareholders' equity increased from HK\$292.8 million to HK\$315 million. Total assets and net assets increased by 5% and 6% to HK\$546.5 million and HK\$439.3 million respectively, which was primarily due to the fund raising activities involving the issue of new shares of the Company completed during the period. The financial position of the Group remains strong and healthy, which provides a solid foundation for the Group's further development.

In the current interim period, the net cash used in operations amounted to HK\$12 million, as compared to that of HK\$6.5 million in previous interim period. The net cash used in operation increased by HK\$5.5 million, which was primarily due to exchange gain amounted to HK\$4 million in current interim period compared with the exchange loss of HK\$0.27 million in last period. The net cash from the Group's investing activities amount to HK\$76.6 million, which was due to the refund of the deposit paid for acquisition of subsidiary amounted to HK\$30 million and loan repayment received amounted to HK\$40 million. Overall, the net increase in cash and cash equivalents of the Group amount to HK\$94 million, as compared to the net increase in previous interim period of HK\$85.1 million. As at 30 September 2013, the Group's cash and cash equivalent amounted to approximately HK\$125.4 million. The Group was endeavor to maintains a conservative approach to cash management and risk controls.

## Liquidity and Financial Resources

As at 30 September 2013, the Group's cash and cash equivalents amounted to HK\$125.4 million (31 March 2013: HK\$31.4 million). The group had no banks loans with fixed term of repayment at the end of the reporting period. The Group's funds advanced from a substantial shareholder, directors and non-controlling interest of a subsidiary are repayable on demand.

	<b>As at 30 September 2013</b>	As at 31 March 2013
Current ratio (current assets/current liabilities)	<b>4.7 times</b>	4.2 times
Gearing ratio (total liabilities/total assets)	<b>19.6%</b>	20.2%

The Group's liquidity remains healthy. Nevertheless, as the Company is still keen on looking for strategic investment to diversify its business operation, additional financing might be requested when suitable investment opportunity was identified. The management will assess and consider various possible fund raising alternatives to strengthen the capital base and financial position of the Company and to make sure that the Company will have sufficient working capital to support its future operational and investment needs.



## **Fund Raising Activities After Reporting Period**

On 15 October 2013, the Company entered into a placing agreement with Orient Securities Limited as placing agent to place, on a best efforts basis, a maximum of 275,891,440 at a price of HK\$0.15 per share under a general mandate granted to the Directors at the annual general meeting held on 30 September 2013. Completion of the placing took place on 23 October 2013 where a total of 275,890,000 shares were placed. The gross proceeds from the placing was approximately HK\$41.38 million and the net proceeds from the placing, after deducting the placing commission and other professional fees incurred by the Company, was approximately HK\$39.53 million. The net placing price per share was approximately HK\$0.143. The net proceeds from the placing was intended to use as to approximately HK\$30 million for future potential investments, and the balance for general working capital of the Group. As at the date of this report, the net proceeds remained unused.

## **Mergers and Acquisitions**

On 7 November 2011, the Company entered into a conditional sales and purchase agreement with Magic Luck International Limited (the “Vendor”), for the acquisition of 55% issued share capital and shareholders’ loan of Billion Light Holdings Limited (the “Target Company”), for a total consideration of HK\$200,000,000 of which HK\$100,000,000, HK\$50,000,000 and HK\$50,000,000 will be settled by cash, two-year convertible bonds and two-year promissory notes respectively and HK\$30 million has been paid as refundable deposit upon the signing of the sales and purchase agreement. The Target Company, through its subsidiaries, are principally engaged in the leasing of point-of-sales terminals (the “POS Terminals”) and provision of ancillary services in mainland China. Details regarding the proposed acquisition can be referred to the Company’s announcements dated 8 November 2011. The acquisition has been terminated since 1 May 2013, for further details of the termination of the acquisition, please refer to the Company’s announcement dated 1 May 2013. During the current interim period, the HK\$30 million refundable deposit has been received.

As announced by the Company on 16 May 2013 and 14 June 2013, the Company entered into a non-legally binding Memorandum of Understanding (the “MOU”) with Mr. Peng Yong Ning in relation to the proposed acquisition of the entire issued share capital and all shareholders’ loans of Giant Purity Limited (the “Proposed Acquisition”), which was subsequently supplemented by a Supplemental Memorandum of Understanding dated 14 June 2013. The MOU has already lapsed on 15 September 2013, and the Company does not intend to proceed with the Proposed Acquisition any further. As at the date of this report, the Company has not identified any other potential investment opportunity.

## **Pledge of Assets**

As at 30 September 2013, no assets of the Group were pledged to secure general banking facilities granted to the Group.

## Contingent Liabilities

As at 30 September 2013, the Group had no material contingent liabilities.

## Capital Commitments

Contracted but not provided for capital commitment

in respect of the acquisition of:

– Subsidiaries (Note)

– Property, plant and equipment

<b>30 September 2013 HK\$</b>	<b>31 March 2013 HK\$</b>
–	170,000,000
–	210,425
<b>–</b>	<b>170,210,425</b>

Note: During the current interim period, the major transaction has been terminated and the Group had no capital commitment as at the date of this interim report.

## Foreign Exchange Exposure

Most of the operations and trading transaction, assets and liabilities of the Group were denominated in Hong Kong dollar and Renminbi. During the six months ended 30 September 2013, the Group had an insignificance amount of exchange difference.

The Group adopted a conservative treasury policy, with most of the bank deposits being kept in Hong Kong dollars and Renminbi, to minimize exposure to foreign exchange risks. As at the year end and during the year, the Group had no foreign exchange contracts, interest or currency swaps, or other financial derivatives for hedging purposes.

## Commodity Price Risk

The price of the Group's products of the mining operations are influenced by international and domestic market prices and changes in global supply and demand for such products. Price volatility of metals is also affected by the global and PRC economic cycles as well as the fluctuations of the global currency market. Both the international and domestic market price of metals as well as the volatility of their supply and demand are beyond the control of the Company. Therefore, the volatility of commodity price may affect the turnover from the Group's mining operation and thus the comprehensive income of the Group. The Group did not engage in nor enter into any trading contracts ad price arrangements to hedge the risk of volatility of metals prices.

## **Employee Remuneration Policy**

As at 30 September 2013, the Group had 58 employees (30 September 2012: 58 employees). Total salaries, commissions, incentives and all other staff related costs incurred for the interim period ended 30 September 2013 amounted to approximately to HK\$8.7 million (30 September 2012: HK\$7.9 million). Our remuneration policies are in line with prevailing market practices and formulated on the basis of the performance and experience of individual employees. Apart from basic salaries, other staff benefits included provident funds, life insurance and medical assistances benefit. The Company may also grant share options to eligible employees to motivate their performance and contribution to the Group.

## **OUTLOOK**

### **The Mining Operations**

Looking forward to the succeeding years, there will still be uncertainties in the recovery of the global economic due to extreme volatilities in the global market and the European sovereign crisis. On the back of such environment, precious metals remain a fundamental option for investors who opt for a diversified portfolio to mitigate systematic risks. Coupled with the overwhelming demands from the PRC market, the management expects to see solid potential for the market of precious metals, especially gold and silver, during the coming years.

The mining operations is rather new to the Group and to its senior management. Except for the Chief Executive Officer of the Company, the Group's senior management had no experience and professional knowledge on the operation. The scale of the Group's mining operations is considered small and limited. The Group can only be a market follower, and has no influence on both the market price and sales of ores and ores concentrates in the local market. The prospect of the Group's mining operations relies solely on the Group's ability to extract valuable mineral resources efficiently and economically, and to identify new mineral reserves in the Group's mining properties. Regarding this direction, the Group has appointed local experienced exploitation and exploration teams in order to deliver the full potential of the Group's mineral reserve and resources.

Based on the existing gold and silver reserves and resources of the Group, it is expected to have higher production in the future. In near term, the Group will focus on the exploitation of gold and silver ore and production of concentrates. To achieve greater stability, predictability, consistency and sustainability of the Group's mining production, the management has set the following strategies:

1. Further enhance the mining and ore processing technologies;
2. Increase the capacity of ore processing plant by constructing additional processing facilities;
3. Increase the exploitation capacity by appointing or co-operating with contracted qualified mining teams; and
4. Facilitate the completion of the exploration works and feasibility studies in Li Zi Yuan Mining Area and Hu Lei Si De Mining Area so as to formulate suitable development plan.

Regarding the exploration works of the Group, the previous and current works on the fields of the two exploration license have showed the results of finding gold mineralization. There have been mineral samples taken from the field surface of licensed exploration area in Henan and Xinjiang, and the samples examined for gold. The results are positive as the grade of gold ore samples are ranging from 0.5 g/t and 6 g/t. However, at the moment it could not provide details of the geological results, because there are extra geological works to be carried out, and the stage geological summary report will be produced after the works finished.

The exploration works was expected to be finished in 2014. The resource/reserve reports and the feasibility reports for both exploration properties will be finalized in the second half of 2014 and the resulting mining licenses could be issued in the same year.

Regarding the development plan and the strategy for the Yin Di Mining Area, the Group's only operating mine, the management planned to achieve a mining and gold ores processing capacity of 450 tonnes per day by three stages, which was originally expected to be completed before the mid of 2015. However, affecting by the strict supply of dynamite in the Henan Province, the development plan has been held up seriously. The management now expects that the first stage of gold production started in the second quarter of 2014 with expected daily ores production of 150 tonnes. The second stage will be started in the first quarter of 2015 and daily ores production will reach 300 tonnes. The final stage will be started in the third quarter of 2016 when the Yin Di Mining Area could produce 450 tonnes of ores per day. It is expected the Group will be able to produce contained gold of about 525 kg per year and create an output value of about RMB128 million from year 2017 onwards. In the meantime, the Group will continue the extraction of silver ores from the mining area to fully utilize the potential of our mining property. The selling of silver ores could provide a momentary revenue and cash flow for the mining operations. It will be the strategy of the Group to carry out mining operations, mine development and exploration works simultaneously in order to keep generating cash-flow from the mining operations while making investment. The Group has no current intention and plan to acquire other mining properties in the near future. The management will focus on the development of the Group's existing mining properties.

## **The Financial Quotation Segment**

The financial results of QuotePower, the main revenue producer of the Group, to a large extent depend on the performance of the stock market. QuotePower is one of the leading financial quotation service providers in Hong Kong. It has long history in the market and has wide client base. However, it is believed that the market for paid financial quotation services has been fully developed and saturated. The potential for further development is very limited and raise of subscription price would result in loss of subscribers. The management of QuotePower has launched financial quotation services in mobile devices platform in recent years, yet the effort has achieved little in terms of attracting subscribers and widening revenue base. The prospect of the Group's financial quotation service segment depends on the management's ability to retain customers by providing quality services and control costs. Demand for the Group's financial quotation services derives mainly from the investment sentiments in the financial market. Investor sentiments have been recovering

as a result of the quantitative easing monetary policies adopted by various governments after the financial tsunami in earlier years. Given the strong market position and customer base built up over the years, we are reasonably confident that QuotePower will be able to regain its proven track records. However, as a matured and fully developed business sector, the room for further growth and development of the segment is limited. Meanwhile, the continued strengthening of Hong Kong as an international financial centre should also present us with new growth prospects, which we believe QuotePower is well-placed to capture. It will continue to explore business opportunities to enhance its market leadership in the area of financial information services and to expand the geographical reach of its sales and marketing activities. It is expected that the financial quotation services provided by the Group will still face severe challenge ahead. The management will strive to exercise prudent business measures to maximize its profitability or to minimize the loss.

## **Other**

Except for those fund raising activities after reporting period, the Company has no current intention or plan for any fund raising activities, any acquisition or investments, and any disposal or scale-down of any current business.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's securities during the period and the Company has not redeemed any of its securities during the period.

## **DIRECTORS' INTERESTS**

As at 30 September 2013, according to the register of interest kept by the Company under Section 336 of the Securities and Futures Ordinance (the "SFO") and so far as was known to the Directors, none of the Directors and chief executives of the Company held any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (i) where required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) where required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for the Securities Transactions by Directors of Listed Companies (the "Code") of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), to be notified to the Company and the Stock Exchange.

## **DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

Apart from the share option scheme disclosed in the section "**SHARE OPTION SCHEME**" below, at no time during the period was the Company, or any of its subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate and neither the Directors nor any of their spouses or children under 18 years of age, had any right to subscribe for shares or debt securities of the Company, or had exercised any such rights during the period under review.

## SHARE OPTION SCHEME

The new share option scheme of the Company was adopted on 30 September 2013 (the “New Option Scheme”). Pursuant to the New Option Scheme, the Directors are authorized to grant options to any executive or non-executive directors, any executives and employees and those persons who have contributed or will contribute to the Group as incentive schemes and rewards. Apart from the New Option Scheme, the Company did not have any other share option scheme.

During the period under review, no options were granted or exercised under the New Option Scheme.

## SUBSTANTIAL SHAREHOLDERS’ INTERESTS IN THE COMPANY

As at 30 September 2013, the register of substantial shareholders maintained under Section 336 of the SFO shows that the Company had been notified of the following substantial shareholders’ interests, being 5 per cent or more of the Company’s issued share capital.

<b>Name</b>	<b>Number of Ordinary Shares held</b>	<b>Percentage</b>
Asian Gold Dragon Limited <i>Note</i>	215,054,500	12.99%

*Note:*

Asian Gold Dragon Limited is a substantial shareholder of the Company as at the date of this report. Other than being a substantial shareholder of the Company, Asian Gold Dragon Limited and its ultimate beneficial owners have no relationship with the Company and its connected persons.

The Company notes that, according to the disclosure of interest filed by Mr. Wang Xiaobo on 12 September 2013, Asian Gold Dragon Limited is wholly owned by Mr. Wang Xiaobo, the ultimate beneficial owner of Asian Gold Dragon Limited.

The Company further notes that, according to the disclosure of interest made by Mr. Sze Chun Ning, Vincent on 15 August 2011, Asian Gold Dragon Limited is 85% owned by Mr. Sze Chun Ning, Vincent, the ultimate beneficial owner of Asian Gold Dragon limited.

All the interests stated above represent long position. Save as disclosed herein, there is no person known to the directors who, as at 30 September 2013, was directly or indirectly interested in 5% or more of the nominal value of any class of share capital of the Company required to be recorded in the register kept pursuant to Section 336 of SFO.

## **COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES**

The Company has complied with the Code Provisions set out in the Corporate Governance Code with effect from 1 April 2012 (the “CG Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited during the six months ended 30 September 2013 except for the following deviation:

### **Code Provision A.4.1**

Under the code provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election. All non-executive directors of the Company were not appointed for a specific term, but every director of the Company will be subject to retirement no later than the third annual general meeting after his election, under the Company’s Bye-Laws. As such, the Board considers that sufficient measures have been taken to ensure that the Company’s corporate governance practices are not less exacting than those in the Code.

### **Code Provision A.6.7**

Code Provision A.6.7 stipulates that independent non-executive directors (“INEDs”) and other non-executive directors (“NEDs”) should attend general meeting. Out of four INEDs of the Company, only three INEDs attended the annual general meeting of the Company held on 30 September 2013 (the “2013 AGM”) but the other one INED and one NED were unable to attend the 2013 AGM due to other business engagement.

### **Code Provision E.1.3**

The Company should arrange for the notice to shareholders to be sent for annual general meetings at least 20 clear business days before the meeting. The Company had not given 20 clear business days before the 2013 AGM. Instead, 21 calendar days notice had been given to shareholders pursuant to the Company’s Bye-Laws.

## **BOARD DIVERSITY POLICY**

With an aim to achieve diversity on the Board of the Company, the Board has approved and adopted a Board Diversity Policy (the “Policy”) and revision to the terms of reference of the Nomination Committee of the Board to ensure the appropriate implementation of the Policy. The Policy was made with a view to achieving a sustainable and balanced development of the Company, of which, among others, all Board appointments will be based on meritocracy, and candidates will be considered against appropriate criteria, having due regard for the benefits of diversity on the Board.

The Company commits to selecting the best person for the role. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural background and ethnicity, in addition to educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Board’s composition (including gender, age, length of service) will be disclosed in the Corporate Governance Report annually.

The Nomination Committee will report annually, in the Corporate Governance Report, on the Board’s composition under diversified perspectives, and monitor the implementation of this Policy.

The Nomination Committee will review this Policy, as appropriate, to ensure the effectiveness of this Policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules as its own code of Conduct regarding securities transactions by the directors of the Company. All Directors have confirmed that they fully complied with the Model Code during the period under review.



## AUDIT COMMITTEE

The Audit Committee of the Company comprises three independent non-executive directors, namely Mr. Yau Chung Hang, Mr. Lee Kwong Yiu and Mr. Zhang Guang Hui.

The Group's unaudited accounts for the six months ended 30 September 2013 have been reviewed by the Audit Committee of the Company.

## CHANGES IN INFORMATION OF DIRECTORS

Save as disclosed elsewhere in this report, below are the changes of directors' information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the publication of the Company's 2012/2013 annual report:

### (1) Change of directorship

<b>Name of Director</b>	<b>Details of Change</b>
Ms. Ma Sai	resigned as an executive director of the Company on 1 August 2013
Mr. Song Gaofeng	retired as an executive director of the Company on 30 September 2013
Mr. Qiu Hai Jian	retired as a non-executive director of the Company on 30 September 2013

### (2) Change of Directors' emoluments

<b>Name of Director</b>	<b>Details of Change</b>
Mr. Chen Jiasong	his remuneration has been increased to HK\$100,000 per month with effect from 1 April 2013
Mr. Cheung Wai Shing	his remuneration has been increased to HK\$100,000 per month with effect from 1 April 2013
Mr. Lee Kwong Yiu	his remuneration has been increased to HK\$20,000 per month with effect from 1 April 2013
Mr. Yau Chung Hang	his remuneration has been fixed at HK\$10,000 per month with effect from 16 May 2013
Mr. Zhang Guang Hui	his remuneration has been increased to HK\$20,000 per month with effect from 1 April 2013

By order of the Board  
**ABC Communications (Holdings) Limited**  
**Chen Jiasong**  
*Chairman*

Hong Kong, 29 November 2013