



CRTG

China Resources and Transportation Group Ltd
中國資源交通集團有限公司

CHINA RESOURCES AND TRANSPORTATION GROUP LIMITED

中國資源交通集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 269

Interim Report **2013**



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Cao Zhong (*Chairman*)
Mr. Fung Tsun Pong (*Vice-chairman*)
Mr. Duan Jingquan
(*Chief Executive Officer*)
Mr. Tsang Kam Ching, David
(*Finance Director*)
Mr. Gao Zhiping
(*appointed on 17 June 2013*)

Independent Non-executive Directors

Mr. Yip Tak On
Mr. Jing Baoli
Mr. Bao Liang Ming

Audit Committee

Mr. Yip Tak On (*Chairman*)
Mr. Jing Baoli
Mr. Bao Liang Ming

Remuneration Committee

Mr. Yip Tak On (*Chairman*)
Mr. Jing Baoli
Mr. Bao Liang Ming
Mr. Cao Zhong

Nomination Committee

Mr. Cao Zhong (*Chairman*)
Mr. Yip Tak On
Mr. Jing Baoli
Mr. Bao Liang Ming

COMPANY SECRETARY

Miss Ngan Wai Kam, Sharon

AUDITOR

BDO Limited

LEGAL ADVISOR

Sidley Austin
Louis K.Y. Pau & Company

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
The Bank of East Asia Limited
The Hong Kong and Shanghai Banking
Corporation Limited

REGISTERED OFFICE

Caledonian Trust (Cayman) Limited
Caledonian House
69 Dr. Roy's Drive
P.O. Box 1043
Grand Cayman
KY1-1102
Cayman Islands

PRINCIPAL PLACE OF BUSINESS

Room 1801-07, 18/F.
China Resources Building
26 Harbour Road
Wanchai, Hong Kong

SHARE REGISTRARS & TRANSFER OFFICE

Tricor Progressive Limited
26/F., Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

STOCK CODE AT HONG KONG STOCK EXCHANGE

269

CONTACT DETAILS

Telephone no. : (852) 3176 7100
Facsimile no. : (852) 3176 7122

COMPANY WEBSITE

<http://www.crtg.com.hk>



HIGHLIGHTS

- Unaudited turnover of approximately HK\$6,163,676,000 for the six months ended 30 September 2013 (including unaudited turnover from discontinued operations of approximately HK\$83,309,000), whereas an unaudited turnover of approximately HK\$2,528,345,000 was recorded in the corresponding period of last year.
- Unaudited net loss attributable to owners of the Company for the six months ended 30 September 2013 amounted to approximately HK\$88,401,000 representing a decrease of approximately 24.3% as compared to that of the corresponding period in last year.
- The directors do not declare any dividend for the six months ended 30 September 2013.

INTERIM RESULTS

The board of directors (the “Board”) of China Resources and Transportation Group Limited (the “Company”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2013 and the unaudited condensed consolidated statement of financial position of the Group as at 30 September 2013.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2013

	Notes	30 September 2013 HK\$'000 (Unaudited)	30 September 2012 HK\$'000 (Unaudited and represented)
Continuing operations:			
Turnover	3	6,080,367	2,528,345
Cost of sales		(5,994,276)	(2,490,394)
Gross profit		86,091	37,951
Gain on settling debt component of old convertible bonds by issuing new convertible bonds		54,261	–
Change in fair value of derivative financial instruments		(120,524)	(21,728)
Other income and other gains and losses	5	(17,882)	(389)
Selling and administrative expenses		(104,197)	(156,761)
Finance costs	6	(31,332)	–
Gain on partial disposal of equity interests in subsidiaries	16	18,255	–
Share of profit of associates		828	–
Loss before income tax expense	7	(114,500)	(140,927)
Income tax expense	8	–	–
Loss for the period from continuing operations		(114,500)	(140,927)
Discontinued operations:			
Profit/(loss) for the period from discontinued operations	9	25,208	(4,746)
Loss for the period		(89,292)	(145,673)
Loss attributable to:			
– Owners of the Company		(88,401)	(116,809)
– Non-controlling interests		(891)	(28,864)
		(89,292)	(145,673)
		HK cents (Unaudited)	HK cents (Unaudited)
Loss per share attributable to owners of the Company			
From continuing and discontinued operations			
– Basic	11	(0.34)	(0.58)
– Diluted		(0.76)	(0.58)
From continuing operations			
– Basic	11	(0.44)	(0.56)
– Diluted		(0.85)	(0.56)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2013

	30 September 2013 HK\$'000 (Unaudited)	30 September 2012 HK\$'000 (Unaudited)
Loss for the period	(89,292)	(145,673)
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Release of translation reserve upon disposal of subsidiaries	(34,353)	–
Exchange differences on translation of financial statements of foreign operations	101,419	(12,462)
Other comprehensive income for the period, net of tax	67,066	(12,462)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(22,226)	(158,135)
Total comprehensive income attributable to:		
– Owners of the Company	(50,865)	(122,792)
– Non-controlling interests	28,639	(35,343)
	(22,226)	(158,135)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 September 2013 HK\$'000 (Unaudited)	31 March 2013 HK\$'000 (Audited)
NON-CURRENT ASSETS			
Investment property		42,597	44,100
Property, plant and equipment	12	129,530	137,872
Prepaid lease payments		29,270	29,806
Biological assets		79,486	76,745
Forest concession rights	13	347,663	361,456
Concession intangible asset	14	17,447,335	10,546,874
Long term deposit and prepayments	15	1,258,329	2,209,418
Interest in associates		463,976	–
Available-for-sale investments		120,922	108,756
TOTAL NON-CURRENT ASSETS		19,919,108	13,515,027
CURRENT ASSETS			
Investments held for trading		–	6,179
Inventories		122,303	120,806
Trade and other receivables	17	343,036	34,251
Prepaid lease payments		665	665
Amount due from a non-controlling shareholder of a subsidiary		16,386	16,066
Amount due from associates		210,336	–
Pledged deposit and restricted cash	18	384,446	117,407
Cash and cash equivalents		2,904,152	2,033,045
		3,981,324	2,328,419
Assets of a disposal group classified as held for sale		–	1,823,685
TOTAL CURRENT ASSETS		3,981,324	4,152,104
TOTAL ASSETS		23,900,432	17,667,131
CURRENT LIABILITIES			
Trade and other payables	19	3,196,545	2,188,910
Promissory note	20	295,666	293,458
Deferred government grants		7,620	7,471
Borrowings	21	6,963,220	5,827,081
Convertible bonds	22	672,372	–
		11,135,423	8,316,920
Liabilities of a disposal group classified as held for sale		–	710,105
TOTAL CURRENT LIABILITIES		11,135,423	9,027,025
NET CURRENT LIABILITIES		(7,154,099)	(4,874,921)

	Notes	30 September 2013 HK\$'000 (Unaudited)	31 March 2013 HK\$'000 (Audited)
TOTAL ASSETS LESS CURRENT LIABILITIES		12,765,009	8,640,106
NON-CURRENT LIABILITIES			
Deferred tax liabilities		9,561	9,561
Convertible bonds	22	1,754,987	1,836,870
Borrowings	21	5,896,535	1,668,411
Acreage fees payable		10,867	10,867
TOTAL NON-CURRENT LIABILITIES		7,671,950	3,525,709
TOTAL LIABILITIES		18,807,373	12,552,734
NET ASSETS		5,093,059	5,114,397
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital	23	281,058	256,058
Reserves		3,815,116	2,427,791
Equity attributable to owners of the Company		4,096,174	2,683,849
Non-controlling interests		996,885	2,430,548
TOTAL EQUITY		5,093,059	5,114,397

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2013

	Forest												Total
	Share capital	Share premium	Capital	Assets		Forest	Convertible bonds	Translation reserve	Retained profits	Sub-total	Non-controlling interests		
			redemption reserve	Capital reserve	revaluation reserve	rights reserve							
			HK\$'000	HK\$'000	HK\$'000	HK\$'000							
At 1 April 2012 (Audited)	201,908	1,036,453	3,800	20,918	34,614	76,213	719,366	124,504	425,395	2,643,171	2,416,436	5,059,607	
Total comprehensive income for the period	-	-	-	-	-	-	-	(5,983)	(116,809)	(122,792)	(35,343)	(158,135)	
At 30 September 2012 (Unaudited)	201,908	1,036,453	3,800	20,918	34,614	76,213	719,366	118,521	308,586	2,520,379	2,381,093	4,901,472	
At 1 April 2013 (Audited)	256,058	1,624,202	3,800	20,918	33,529	-	457,587	134,020	153,735	2,683,849	2,430,548	5,114,397	
Loss for the period	-	-	-	-	-	-	-	-	(88,401)	(88,401)	(891)	(89,292)	
Release of translation reserve upon disposal of subsidiaries	-	-	-	-	-	-	-	(34,353)	-	(34,353)	-	(34,353)	
Exchange gain on translation of financial statements of foreign operations	-	-	-	-	-	-	-	71,889	-	71,889	29,530	101,419	
Total comprehensive income for the period	-	-	-	-	-	-	-	37,536	(88,401)	(50,865)	28,639	(22,226)	
Issue of ordinary shares	25,000	725,000	-	-	-	-	-	-	-	750,000	-	750,000	
Capital reduction in a subsidiary	-	-	-	-	-	-	-	-	-	-	(941,518)	(941,518)	
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	118,287	118,287	
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	59	59	
Change in equity component arising from exchange of convertible bonds	-	-	-	-	-	-	74,060	-	-	74,060	-	74,060	
Share of non-controlling interests transferred to the Group	-	-	-	-	-	-	-	-	639,130	639,130	(639,130)	-	
Gain on settling equity component of old convertible bonds by issuing a new convertible bonds	-	-	-	-	-	-	(142,766)	-	142,766	-	-	-	
At 30 September 2013 (Unaudited)	281,058	2,349,202	3,800	20,918	33,529	-	388,881	171,556	847,230	4,096,174	996,885	5,093,059	

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	30 September 2013 HK\$'000 (Unaudited)	30 September 2012 HK\$'000 (Unaudited)
NET CASH INFLOWS/(OUTFLOWS) FROM OPERATING ACTIVITIES	553,754	(4,582)
NET CASH OUTFLOWS FROM INVESTING ACTIVITIES	(6,537,693)	(2,968,070)
NET CASH INFLOWS FROM FINANCING ACTIVITIES	6,816,548	2,903,244
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	832,609	(69,408)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	38,498	(669)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	2,033,045	196,293
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	2,904,152	126,216
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS:		
Cash and bank balances	2,904,152	123,396
Cash and bank balances attributable to a disposal group	-	2,820
	2,904,152	126,216

NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. **Basis of presentation of financial statements and principal accounting policies**

As at 30 September 2013, the Group's current liabilities exceeded its current assets by approximately HK\$7,154 million in which the Group has outstanding short-term loans in the aggregate of approximately HK\$6,963 million, and trade and other payables of HK\$3,197 million. After taking into consideration of (i) rescheduling of repayment terms of borrowing facility obtained from a financial institution, (ii) consideration of HK\$1,500 million to be received from issue of convertible bonds and (iii) consideration of HK\$198 million to be received from the disposal of the property development and asset management business, the Company's management are of the opinion that the Group will have sufficient working capital to finance its normal operations and to meet its financial obligations as they fall due for the foreseeable future and therefore have prepared the condensed interim consolidated financial statements on a going concern basis.

The unaudited condensed interim consolidated financial statements of the Group for the six months ended 30 September 2013 (the "Interim Financial Statements") have been prepared in accordance with the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard (the "HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The Interim Financial Statements have been prepared under the historical cost convention modified by the revaluation of investment property, building, certain financial instruments and biological assets.

The accounting policies adopted for preparation of the Interim Financial Statements are consistent with those applied in the preparation of the annual financial statements of the Group for the year ended 31 March 2013 (the "Annual Financial Statements"), except for the adoption of the new and revised Hong Kong Financial Reporting Standards (the "HKFRSs") (which in collective term includes all applicable HKFRSs, Hong Kong Accounting Standards (the "HKASs") and Interpretations) issued by the HKICPA as disclosed in Note 2 to these Interim Financial Statements. The Interim Financial Statements are unaudited, but have been reviewed by the Audit Committee of the Company.

The Interim Financial Statements should be read in conjunction with the Annual Financial Statements.

2. Adoption of new and revised standards

In the current period, the Group has applied the following new and revised standards, amendments and interpretations ("new HKFRSs") issued by the HKICPA which are effective for the current accounting period of the Group and the Company.

HKAS 1 (Amendments)	Presentation of Financial Statements
HKAS 19 (2011)	Employee Benefits
HKAS 27 (2011)	Separate Financial Statements
HKAS 28 (2011)	Investment in Associates and Joint Ventures
HKFRSs (Amendments)	Annual Improvements to HKFRS 2009-2011 Cycle
HKFRS 7 (Amendments)	Disclosures – Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKFRS 10, HKFRS 11, and HKFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements and Disclosures of Interests in Other Entities: Transition Guidance
Annual Improvements Project	Improvement to HKFRSs 2011

The adoption of the new HKFRSs had no material effect on the results and financial position for the current or prior accounting periods which have been prepared and presented. Accordingly, no prior period adjustment has been recognised.

The following new or revised HKFRSs that are potentially relevant to the Group's operations, have been issued but are not yet effective and have not been early adopted:

HKAS 32 (Amendments)	Presentation – Offsetting Financial Assets and Financial Liabilities ¹
HKAS 36 (Amendments)	Recoverable Amount Disclosures For Non-financial Assets ¹
HKAS 39 (Amendment)	Novation of Derivatives and Continuation of Hedge Accounting ¹
HKFRS 9	Financial Instruments ²
Additions to HKFRS 9	Financial Instruments – Financial Liabilities ²
HKFRS 7 and HKFRS 9 (Amendments)	Mandatory Effective Date and Transition Disclosures ²
HKFRS 10, HKFRS 12 and HKAS 27 (2011) (Amendments)	Investment Entities ¹
HK(IFRIC) – Int 21	Levies ¹

¹ Effective for annual periods beginning on or after 1 January 2014

² Effective for annual periods beginning on or after 1 January 2015

3. Turnover

Turnover represents the revenue from the principal activities of the Group. The amounts of each significant category of revenue recognised in turnover during the period are as follows:

	30 September 2013 HK\$'000 (Unaudited)	30 September 2012 HK\$'000 (Unaudited and represented)
Continuing operations:		
Income from timber logging and trading	707	195
Sales of seedlings	3,056	1,107
Sales of tea-oil	384	1,824
Construction revenue in respect of service concession arrangement	6,076,220	2,525,219
	6,080,367	2,528,345
Discontinued operations:		
Sales of completed properties held for sale	83,309	-

4. Segment information

The Group has four reportable segments. The segments are managed separately as each business offers different products and requires different business strategies. During the period, the property development and asset management segments were intended to be disposed of and were presented as discontinued operations which details were set out in Note 9 to the financial statements. The following summary describes the operations in each of the Group's reportable segments:

Continuing operations:

- Timber logging and trading – sales of timber logs from forest concession, tree plantation area and outside suppliers, and sales of seedlings;
- Other timber operation – the manufacture and sale of furniture and handicrafts and sales of refined tea oil; and
- Construction and operation of expressway

Discontinued operations:

- Property development and asset management

There was no inter-segment sale or transfer during the period (2012: HK\$Nil). Central revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segments' loss that is used by the chief operating decision makers for assessment of segment performance.

(a) **Reportable segment**

The segment information for the reportable segments for the six months ended 30 September 2013 is as follows:

	Continuing operations			Discontinued operations	Total HK\$'000 (Unaudited)
	Timber logging and trading HK\$'000 (Unaudited)	Other timber operation HK\$'000 (Unaudited)	Construction and operation of expressway HK\$'000 (Unaudited)	Property development and asset management HK\$'000 (Unaudited)	
REVENUE					
Revenue from external customers	3,763	384	6,076,220	83,309	6,163,676
Inter-segment revenue	-	-	-	-	-
Reportable segment revenue	3,763	384	6,076,220	83,309	6,163,676
Reportable segment (loss)/profit	(22,246)	(7,310)	28,903	25,211	24,558
Additions of concession intangible asset	-	-	6,728,505	-	6,728,505
Depreciation and impairment loss of property, plant and equipment	4,740	2,153	804	172	7,869
Unallocated depreciation and impairment loss of property, plant and equipment					2,498
Total depreciation and impairment loss of property, plant and equipment					10,367
Amortisation of prepaid lease payments	293	-	-	-	293
Unallocated amortisation of prepaid lease payments					40
Total amortisation of prepaid lease payments					333
Amortisation of forest concession rights	13,793	-	-	-	13,793
Interest income	1	94	6,285	83	6,463
Unallocated interest income					185
Total interest income					6,648

The segment information for the reportable segments for the six months ended 30 September 2012 is as follows:

	Continuing operations			Discontinued operations	Total HK\$'000 (Unaudited and represented)
	Timber logging and trading HK\$'000 (Unaudited)	Other timber operation HK\$'000 (Unaudited)	Construction and operation of expressway HK\$'000 (Unaudited)	Property development and asset management HK\$'000 (Unaudited)	
REVENUE					
Revenue from external customers	1,302	1,824	2,525,219	-	2,528,345
Inter-segment revenue	-	-	-	-	-
Reportable segment revenue	1,302	1,824	2,525,219	-	2,528,345
Reportable segment loss	(17,708)	(6,450)	(63,458)	(4,746)	(92,362)
Additions of concession intangible asset	-	-	2,818,958	-	2,818,958
Depreciation and impairment loss of property, plant and equipment	1,329	2,349	653	93	4,424
Unallocated depreciation and impairment loss of property, plant and equipment					4,486
Total depreciation and impairment loss of property, plant and equipment					8,910
Amortisation of prepaid lease payments	289	-	-	-	289
Unallocated amortisation of prepaid lease payments					35
Total amortisation of prepaid lease payments					324
Amortisation of forest concession rights	13,793	-	-	-	13,793
Interest income	5	93	-	51	149
Unallocated interest income					30
Total interest income					179

(b) **Reconciliation of reportable segment loss**

	30 September 2013 HK\$'000 (Unaudited)	30 September 2012 HK\$'000 (Unaudited and represented)
Reportable segment loss before income tax expense	(653)	(87,616)
Segment profit/(loss) before tax from discontinued operations	25,211	(4,746)
Change in fair value of derivative financial instruments	(120,524)	(21,728)
Gain on settling debt component of old convertible bonds by issuing new convertible bonds	54,261	–
Gain on partial disposal of equity interests in subsidiaries	18,255	–
Share of profit of associates	828	–
Other income and other gains or losses	322	(2,663)
Unallocated corporate expenses	(35,657)	(28,920)
Finance costs	(31,332)	–
Consolidated loss before income tax expense	(89,289)	(145,673)

5. Other income and other gains and losses

Other income and other gains and losses comprises:

	30 September 2013 HK\$'000 (Unaudited)	30 September 2012 HK\$'000 (Unaudited and represented)
Continuing operations:		
Interest income	6,565	128
Compensation claims (Note)	(18,261)	–
Exchange loss, net	(6,845)	(2,665)
Government grant	–	1,225
Other income and other gain or loss	659	923
	(17,882)	(389)
Discontinued operations:		
Interest income	83	51
Management fee income	175	–
Others	11	–
	269	51

Note: Compensation claims represented compensation claimed by contractors and suppliers of the construction of the expressway arising from the suspension of construction work due to lack of funding of the subsidiary occurred before the acquisition by the Group.

6. Finance costs

	30 September 2013 HK\$'000 (Unaudited)	30 September 2012 HK\$'000 (Unaudited)
Continuing operations:		
Interest and finance costs on bank and other borrowings:		
– wholly repayable within five years	321,064	140,390
– not wholly repayable within five years	149,807	–
Interest expenses on convertible bonds	185,657	153,349
Interest expenses on promissory note maturing within five years	170	–
Default interest in promissory note	26,919	–
Total finance costs	683,617	293,739
Less: Amount capitalised in concession intangible asset	(652,285)	(293,739)
	31,332	–
Discontinued operations:		
Interest and finance costs on bank and other borrowings:		
– wholly repayable within five years	4,572	3,874
Interest expenses on convertible bonds	–	12,888
Interest expenses on promissory note	2,038	2,180
Total finance costs	6,610	18,942
Less: Amount capitalised in properties under development for sale and other properties under development	(6,610)	(18,942)
	–	–

7. Loss before income tax expense

Loss before income tax expense is stated after charging:

	30 September 2013 HK\$'000 (Unaudited)	30 September 2012 HK\$'000 (Unaudited)
Continuing operations:		
Auditor's remuneration	323	300
Depreciation of property, plant and equipment	10,195	8,817
Amortisation of prepaid lease payments (HK\$40,000 (2012: HK\$35,000) and HK\$293,000 (2012:HK\$289,000) included in selling and administrative expenses and biological assets respectively)	333	324
Amortisation of forest concession rights	13,793	13,793
Compensation claims	18,261	–
Cost of inventories and timber harvested – Upon sales	1,814	2,493
Staff cost (excluding directors' remuneration)		
Salaries and allowances	19,713	15,343
Defined contributions pension costs	105	78
	19,818	15,421
Discontinued operations:		
Depreciation of property, plant and equipment	172	93
Staff cost (excluding directors' remuneration)	1,300	347

8. Income tax expense

	30 September 2013 HK\$'000 (Unaudited)	30 September 2012 HK\$'000 (Unaudited)
Continuing operations:		
– Income tax	–	–
Discontinued operations:		
PRC enterprise income tax – current period	3	–
Total	3	–

There is no assessable profit arising in Hong Kong during the current period (2012: HK\$Nil). Taxes on profits assessable elsewhere, if applicable, have been calculated at the rates of tax prevailing in the regions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

For the six months ended 30 September 2013, the statutory corporate income tax rates applicable to the subsidiaries established and operating in the People's Republic of China (the "PRC") is 25% (six months ended 30 September 2012: 25%).

9. Discontinued operations

On 15 September 2012, the Company entered into a share transfer agreement (the "Share Transfer Agreement") with an independent third party purchaser (the "Purchaser"), pursuant to which the Company conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, 55% equity interest in the property development and asset management business of the Group at a consideration of HK\$550 million. The share transfer has been completed on 16 September 2013.

The property development and asset management business were classified as discontinued operations and the related results for the six months ended 30 September 2013 and 2012 were as follows:

	Notes	30 September 2013 HK\$'000 (Unaudited)	30 September 2012 HK\$'000 (Unaudited)
Turnover	3	83,309	–
Cost of sales		(50,989)	–
Gross profit		32,320	–
Other income and other gains and losses	5	269	51
Selling and administrative expenses		(7,378)	(4,797)
Profit/(loss) before income tax expense		25,211	(4,746)
Income tax expense	8	(3)	–
Profit/(loss) for the period from discontinued operations		25,208	(4,746)

The net cash flows of the discontinued operations for the six months ended 30 September 2013 and 2012 were as follows:

	30 September 2013 HK\$'000 (Unaudited)	30 September 2012 HK\$'000 (Unaudited)
Net cash inflows from operating activities	120,347	69,649
Net cash outflows from investing activities	(14,962)	(89,027)
Net cash (outflows)/inflows from financing activities	(141,515)	17,880
Net cash flows incurred by the discontinued operations	(36,130)	(1,498)

10. Dividend

No dividend has been paid or declared by the Company for the six months ended 30 September 2013 and 2012.

11. Loss per share

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

Loss attributable to owners of the Company

	30 September 2013 HK\$'000 (Unaudited)	30 September 2012 HK\$'000 (Unaudited)
For continuing and discontinued operations		
Loss for the purpose of basic loss per share	(88,401)	(116,809)
Change in fair value of derivative financial instruments	(120,524)	–
Loss for the purpose of diluted loss per share	(208,925)	(116,809)
For continuing operations		
Loss for the purpose of basic loss per share	(113,888)	(112,063)
Change in fair value of derivative financial instruments	(120,524)	–
Loss for the purpose of diluted loss per share	(234,412)	(112,063)
	'000	'000
Weighted average number of ordinary shares for the purposes of basic loss per share	26,042,942	20,190,784
Adjustment for convertible bond	1,500,000	–
Weighted average number of ordinary shares for the purpose of diluted loss per share	27,542,942	20,190,784

For discontinued operations

Basic earning per share for the discontinued operation is 0.10 cents per share (2012: 0.02 cents basic loss per share) and diluted earning per share for the discontinued operation is 0.10 cents per share (2012: 0.02 cents diluted loss per share), based on the profit for the period from the discontinued operations of HK\$25,208,000 (2012: loss of HK\$4,746,000) and the denominators detailed above for both basic and diluted earnings/(losses) per share.

For the periods ended 30 September 2013 and 2012, the computation of diluted loss per share does not assume the exercise of the Company's outstanding warrants as they had an anti-dilutive effect on the loss per share calculation.

12. Property, plant and equipment

No impairment losses were recognised in respect of property, plant and equipment for both periods. During the period, additions to property, plant and equipment amounted to HK\$2,243,000 (2012: HK\$3,534,000) and disposal of property, plant and equipment amounted to HK\$Nil (2012: HK\$2,512,000).

13. Forest concession rights

The forest concession rights in Guyana are stated at cost less accumulated amortisation and any accumulated impairment losses. The costs of forest concession rights includes the acreage fees payable to Guyana Forestry Commission, costs of necessary exploration, geological, geophysical and other research studies incurred prior to the grant of the forest concession rights.

	30 September 2013 HK\$'000 (Unaudited)	31 March 2013 HK\$'000 (Audited)
Cost:		
At 1 April 2013 and at 1 April 2012	534,429	534,445
Exchange difference	–	(16)
At 30 September 2013 and at 31 March 2013	534,429	534,429
Accumulated amortisation and impairment loss:		
At 1 April 2013 and at 1 April 2012	172,973	40,387
Impairment loss	–	105,000
Amortisation for the period/year	13,793	27,586
At 30 September 2013 and at 31 March 2013	186,766	172,973
Net carrying amount:		
At 30 September 2013 and at 31 March 2013	347,663	361,456

Forest concession rights held by Jaling Forest Industries Inc. (“Jaling Concession Rights”), a subsidiary of the Company

On 22 August 2003, Jaling Forest Industries Inc. (“Jaling”) was granted a State Forest Exploratory Permit (1/2003) by the Commissioner of Forests, the Guyana Forestry Commission, to carry out exploratory work on an area of 167,000 hectares (approximately 412,000 acres) for a period of 3 years. Pursuant to the Timber Sales Agreement (TSA 02/2005) dated 25 January 2005, Jaling was granted with an exclusive timber concession right by the Commissioner of Forests, the Guyana Forestry Commission, for a period of 25 years, commencing on 25 January 2005 and until 24 January 2030 (both dates inclusive) to occupy, cut and remove timber from an area of approximately 136,900 hectares (approximately 338,000 acres) in the State Forest of Guyana, South America, which include a block (“Block A”) based on the natural surrounding and is bounded on the North by the Amakura River, on the South by the Baramita Amerindian Reserves and Whana River, on the East by the Whannamaparú and Whana River, and on the West by the common border of Guyana and Venezuela. It lies within the Northwest border of Guyana, South America and another block (“Block B”) is bounded on the North by WCL 6/93, on the South by the Kaituma River, (TSA 04/91-BCL) and Sebai River, on the East by the Aruka River and Sebai Amerindian Reserves and on the West by Sand Creek and Waiamu River, being the concession boundary of BCL-TSA 04/91. Under the Jaling Concession Rights, Jaling shall pay a total acreage fee of approximately HK\$9,000,000 charged on all forestry area as prescribed by the Forest Act and Regulations of Guyana. In addition, based on a letter dated 23 November 2004 issued by the Commissioner of Forests, the Guyana Forestry Commission has committed in principle to find an additional area in the proximity of the current concession which would compensate more or less to the area that was exercised and bring the total concession acreage as close as possible to the original 167,000 hectares (approximately 412,000 acres) at terms same as the Forest Concession Rights.

The logging operation in Block B has been completed during the year ended 31 March 2010. During the period, the Group continued logging operations in Block A.

Forest concession rights held by Garner Forest Industries Inc. (“Garner Concession Rights”), a subsidiary of the Company

On 18 August 2004, Garner Forest Industries Inc. (“Garner”) was granted a State Forest Exploratory permit (3/2004) by the Commissioner of Forests, the Guyana Forestry Commission, to carry out exploratory work on an area of 90,469 hectares (approximately 223,552 acres) for a period of 3 years. Pursuant to the Timber Sales Agreement (TSA 03/2005) dated 11 June 2005, Garner was granted with an exclusive concession right by the Commissioner of Forests, the Guyana Forestry Commission for a period of 25 years, commencing on 11 June 2005 and until 10 June 2030 (both dates inclusive) to occupy, cut and remove timber from an area of approximately 92,737 hectares (approximately 229,158 acres) in the State Forest of Guyana, South America, which includes a block located on the left bank of Mazaruni River, right bank of Puruni River, and left bank of Putareng River of Guyana, South America. Under the Garner Concession Rights, Garner shall pay a total acreage fee of approximately HK\$5,375,000 charged on all forestry area as prescribed by the Forest Act and Regulations of Guyana. Garner has completed the necessary exploratory studies and obtained the Garner Concession Rights.

14. **Concession intangible asset**

	30 September 2013 HK\$'000 (Unaudited)	31 March 2013 HK\$'000 (Audited)
Cost:		
At 1 April 2013 and at 1 April 2012	10,546,874	5,185,307
Additions	6,728,505	5,333,086
Exchange difference	171,956	28,481
At 30 September 2013 and 31 March 2013	17,447,335	10,546,874
Accumulated amortisation:		
At 1 April 2013 and at 1 April 2012	-	-
Amortisation for the period/year	-	-
At 30 September 2013 and 31 March 2013	-	-
Net carrying amount:		
At 30 September 2013 and 31 March 2013	17,447,335	10,546,874

Inner Mongolia Zhunxing Heavy Haul Expressway Company Limited (內蒙古準興重載高速公路有限責任公司) ("Zhunxing") entered into a service concession arrangement with the local government whereby Zhunxing is required to build the infrastructure of a heavy duty toll expressway designed for coal transportation in the Inner Mongolia Autonomous Region and is granted an exclusive operating right for collecting tolls from drivers using the expressway for a term of 30 years.

According to the relevant government's approval documents and the relevant regulations, Zhunxing is responsible for the construction of the toll road and the acquisition of the related facilities and equipment and it is also responsible for the operations and management, maintenance and overhaul of the toll roads during the approved operating period. Zhunxing is entitled to operate the toll road upon completion for a specified concession period of 30 years by charging drivers, which amounts are contingent on the extent that the public uses the expressway. The relevant toll road assets are required to be returned to the local government authorities when the operating rights periods expire without any payments to be made to Zhunxing. As such, the arrangement is accounted for as a concession intangible asset under Hong Kong (IFRIC) Interpretation 12 "Service Concession Arrangement".

The right to charge the users of the public service is recognised as an intangible asset. Zhunxing estimates the fair value of the intangible asset to be equal to the construction costs plus certain margin by management estimation with reference to the information in similar industry and management's experience.

During the period, construction revenue of HK\$6,076,220,000 (2012: HK\$2,525,219,000) and construction cost of HK\$5,992,462,000 (2012: HK\$2,487,900,000) were recognised in respect of the construction service provided by the Group for the expressway. That construction revenue was included in additions to concession intangible asset which will be amortised upon commencement of operation.

No amortisation charge for the period as the expressway was still under construction.

Additions to concession intangible asset during the period include interest capitalised in respect of short term and long term borrowings and convertible bond issued on 28 September 2011 and 3 September 2013 amounting to HK\$422,525,000 and HK\$229,760,000 respectively (2012: HK\$140,390,000 and HK\$153,349,000).

15. Long term deposit and prepayments

	30 September 2013 HK\$'000 (Unaudited)	31 March 2013 HK\$'000 (Audited)
Prepayment for construction of property, plant and equipment	37,814	–
Prepayments for construction of expressway	1,197,015	2,186,377
Deposits paid for acquisition of property, plant and equipment	23,500	23,041
	1,258,329	2,209,418

16. Disposal of equity interests in subsidiaries

As set out in Note 9, on 16 September 2013, the Group disposed of 55% equity interest in the property development and asset management business, through the disposal of 55% equity interest in Shoukong (Beijing) Management Consulting Company Limited (首控(北京)管理諮詢有限公司) (“Shoukong”). At the date of disposal, Shoukong was a wholly owned subsidiary of the Company which holds 100% equity interest in Yichang Xinshougang Property Development Company Limited (宜昌新首鋼房地產開發有限公司) (“Yichang Xinshougang”) and 70% equity interest in Yichang Zhongxiang Property Management Company Limited (宜昌中翔物業管理有限公司) (“Yichang Zhongxiang”). After the disposal, Shoukong, Yichang Xinshougang and Yichang Zhongxiang become associates of the Group.

The net assets of the disposal group at the date of disposal were as follows:

	HK\$'000 (Unaudited)
Property, plant and equipment	14,395
Other properties under development	176,633
Prepaid taxes	34,098
Properties under development for sale	1,025,987
Completed properties held for sale	555,411
Other receivables, deposits and prepayments	6,399
Pledged deposit and restricted cash	8,358
Cash and cash equivalents	6,703
Trade and other payables	(169,055)
Amount due to holding company	(154,342)
Amount due to minority shareholder	(80,547)
Deposits from sales of properties	(233,064)
Tax payables	(35,767)
Deferred government grants	(126,026)
Net asset of the disposal group	1,029,183
Net assets of 55% equity interest disposed of	566,098
Release of translation reserve upon disposal of subsidiaries	(34,353)
Gain on partial disposal of equity interests in subsidiaries	18,255
Total consideration	550,000
Satisfied by:	
Cash	351,688
Deferred consideration	198,312
	550,000
Net cash inflow arising on disposal:	
Cash consideration	351,688
Cash and bank balances disposed of	(6,703)
	344,985

17. Trade and other receivables

	30 September 2013 HK\$'000 (Unaudited)	31 March 2013 HK\$'000 (Audited)
Trade receivables	4,482	4,361
Other receivables	308,311	18,752
Deposits paid	2,290	2,049
Prepayments	27,953	9,089
	343,036	34,251

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally two months, extending up to over three months or more for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management.

Details of the ageing analysis of trade receivables of the Group are as follows:

	30 September 2013 HK\$'000 (Unaudited)	31 March 2013 HK\$'000 (Audited)
Outstanding balances aged:		
0 – 30 days	10	–
31 – 60 days	–	1,157
61 – 180 days	–	2
Over 180 days	4,472	3,202
	4,482	4,361

The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired are as follows:

	30 September 2013 HK\$'000 (Unaudited)	31 March 2013 HK\$'000 (Audited)
Neither past due nor impaired	10	1,159
30 to 90 days past due	–	–
Over 90 days past due	4,472	3,202
	4,482	4,361

Trade receivables that were neither past due nor impaired related to a number of independent customers for whom there was no recent history of default.

Included in trade receivables are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

	30 September 2013 HK\$'000 (Unaudited)	31 March 2013 HK\$'000 (Audited)
Renminbi ("RMB")	3,250	3,204
United States Dollars ("USD")	1,232	1,157
	4,482	4,361

18. Pledged deposit and restricted cash

	30 September 2013 HK\$'000 (Unaudited)	31 March 2013 HK\$'000 (Audited)
Pledged deposits for expressway construction (Note)	384,446	117,407
	384,446	117,407

Note: Amounts represent cash deposited in certain banks as pledged deposits for the facilities granted by the bank for issuing bills payables for the purchases of construction materials and payments of construction fees for expressway construction.

19. Trade and other payables

	30 September 2013 HK\$'000 (Unaudited)	31 March 2013 HK\$'000 (Audited)
Trade payables	1,878	1,840
Other payables and accruals	3,075,735	1,965,496
Deposit received from customers	3,824	6,466
Receipt in advance	110,000	210,000
Purchase consideration payable	5,108	5,108
	3,196,545	2,188,910

Details of the ageing analysis of trade payables of the Group are as follows:

	30 September 2013 HK\$'000 (Unaudited)	31 March 2013 HK\$'000 (Audited)
Outstanding balances aged: Over 180 days	1,878	1,840

Trade and other payables were denominated in the following currencies:

	30 September 2013 HK\$'000 (Unaudited)	31 March 2013 HK\$'000 (Audited)
HKD	429,730	300,567
RMB	2,766,169	1,887,655
USD	440	457
Australian Dollars ("AUD")	206	231
	3,196,545	2,188,910

20. Promissory note

The movement on the promissory note during the period are as follows:

	30 September 2013 HK\$'000 (Unaudited)	31 March 2013 HK\$'000 (Audited)
Carrying value as at 1 April	293,458	289,105
Interest expense (Note 6)	2,208	4,353
Carrying value as at 30 September and 31 March	295,666	293,458

21. Borrowings

	30 September 2013 HK\$'000 (Unaudited)	31 March 2013 HK\$'000 (Audited)
Secured		
– Current portion (i)	5,420,064	4,572,682
– Bills payables (ii)	384,446	117,407
– Non-current portion (i)	5,896,535	1,668,411
Unsecured		
– Current portion (iii) and (iv)	1,158,710	1,136,992
Carrying value as at 30 September and 31 March	12,859,755	7,495,492

Total borrowings were repayable as follows:

	30 September 2013 HK\$'000 (Unaudited)	31 March 2013 HK\$'000 (Audited)
On demand or within one year included in current liabilities	6,963,220	5,827,081
Over one year and included in non-current liabilities	5,896,535	1,668,411
	12,859,755	7,495,492

- (i) During the year ended 31 March 2013, Zhunxing, entered into a loan agreement with China Development Bank Corporation, as the leading bank, Hua Xia Bank Co., Limited and China Merchants Bank Co., Limited, as the participant banks, (together the “Lenders”) to obtain loan facilities amounted to RMB8,820 million (the “Loan”) at an initial annual interest rate of 6.8775% on normal commercial terms, of which RMB3,600 million of the Loan will be for a term of 15 years, RMB2,770 million of the Loan will be for a term of 20 years and RMB2,450 million of the Loan will be for a term of 21 years. The loans are for the construction of the heavy-haul toll expressway owned by Zhunxing. As at 30 September 2013, Zhunxing has drawn down loans of RMB8,800 million (31 March 2013: RMB5,050 million) from the Lenders, including short term loans of RMB4,100 million (31 March 2013: RMB3,700 million) and long term loans of RMB4,700 million (31 March 2013: RMB1,350 million).

As at 30 September 2013, the loans are guaranteed by Zhunxing’s receivables of toll fee income of the expressway, the Group and the former non-controlling shareholder and bear interest at the respective fixed rates ranging from 5.7% to 8.5% per annum.

- (ii) Bills payables were issued from bank to suppliers for payables of construction materials and payments of construction fees for expressway construction with a total of HK\$384 million (31 March 2013: HK\$117 million) were secured by bank deposits of same amount.
- (iii) As at 30 September 2013, the loan is unsecured, interest bearing at 0.0288% per day and repayable within one year. Zhunxing entered into the assignment of loan agreement with an authorised financial institution and its former non-controlling shareholder under which all parties agreed that the amount due to its former non-controlling shareholder of HK\$624,260,000 (31 March 2013: HK\$612,067,000) was unconditionally assigned to the authorised financial institution on 6 February 2012. The bank loan is guaranteed by the Company and its former non-controlling shareholder.
- (iv) The Group entered into loan agreements with independent third parties for loans of HK\$150 million and HK\$400 million at 20% p.a. repayable after twelve and six months on 10 January 2013 and 3 May 2013 respectively. The loans were used by the Group for the purpose of financing its capital contribution to registered capital of Zhunxing and is used for general working capital purpose.

In November 2013, the loan of HK\$400 million has been fully repaid.

22. Convertible bonds

The movement of the liability component, derivative component and equity component of the convertible bonds were as follows:

	Liability component HK\$'000	Derivative financial instrument HK\$'000	Equity component HK\$'000	Total HK\$'000
Convertible bond issued on 28 September 2011				
At 31 March and 1 April 2013	1,836,870	–	457,587	2,294,457
Change in fair value of derivative financial instruments	–	120,523	–	120,523
Interest expense (Note 6)	163,065	–	–	163,065
Interest paid	(171,369)	–	–	(171,369)
Being settlement of equity component	–	–	(320,311)	(320,311)
Being settlement of debt component	(1,276,717)	–	–	(1,276,717)
At 30 September 2013 (Unaudited)	551,849	120,523	137,276	809,648
Convertible bond issued on 3 September 2013				
At 1 April 2013	–	–	–	–
Issue of convertible bond	1,732,395	–	251,605	1,984,000
Interest expense (Note 6)	22,592	–	–	22,592
At 30 September 2013 (Unaudited)	1,754,987	–	251,605	2,006,592
Total				
At 30 September 2013 (Unaudited)	2,306,836	120,523	388,881	2,816,240
At 31 March 2013 (Audited)	1,836,870	–	457,587	2,294,457
Represent by				
Current portion	551,849	120,523		672,372
Non-current portion	1,754,987	–		1,754,987
Total (Unaudited)	2,306,836	120,523		2,427,359

23. Share capital

	30 September 2013		31 March 2013	
	No. of shares '000	Amount HK\$'000 (Unaudited)	No. of shares '000	Amount HK\$'000 (Audited)
Authorised:				
Ordinary shares of HK\$0.01 each	50,000,000	500,000	50,000,000	500,000
Issued and fully paid:				
Ordinary shares of HK\$0.01 each at 1 April	25,605,784	256,058	20,190,784	201,908
Shares issued upon conversion of convertible bonds	-	-	5,050,000	50,500
Shares issued upon exercise of warrants	-	-	365,000	3,650
Issue of ordinary shares	2,500,000	25,000	-	-
At 30 September and 31 March	28,105,784	281,058	25,605,784	256,058

24. Related party transactions

- (a) Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.
- (b) Save as disclosed elsewhere in these financial statements, the Group had the following major transactions with related parties during the six months ended 30 September 2013 and 2012:

Related party relationship	Type of transactions	30 September 2013	30 September 2012
		HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
China Alliance International Holding Group Limited (a substantial shareholder of the Company)	Interest expense on promissory note	2,208	2,180
	Default interest expense on promissory note	26,919	-

		30 September 2013 HK\$'000 (Unaudited)	31 March 2013 HK\$'000 (Audited)
China Alliance International Holding Group Limited (a substantial shareholder of the Company)	Promissory note	295,666	293,458
Shougang Holding Company Limited (a former non-controlling shareholder of a subsidiary)	Deposit paid for office building located in Inner Mongolia Autonomous Region, the PRC	23,500	23,041

- (c) Members of key management during the period comprised of the directors only and their remuneration are listed as follows:

		30 September 2013 HK\$'000 (Unaudited)	30 September 2012 HK\$'000 (Unaudited)
Fees, basic salaries, allowances and other benefits		6,060	6,254
Retirement benefit scheme contributions		22	22
		6,082	6,276

25. Operating lease commitments

The Group leases part of its office properties and plantation sites under operating lease arrangements. Leases for office properties are negotiated for terms for 1 to 5 years. Leases for plantation sites are negotiated for terms for 1 to 7 years.

As at 30 September 2013, the Group had total future minimum lease payments under non-cancellable operating leases due at the end of reporting period as follows:

		30 September 2013 HK\$'000 (Unaudited)	31 March 2013 HK\$'000 (Audited)
Within one year		3,493	6,495
In the second to fifth years, inclusive		32	154
After five years		–	–
		3,525	6,649

26. Capital commitments

Capital commitments outstanding as at 30 September 2013 and 31 March 2013 not provided for in the financial statements were as follows:

	30 September 2013 HK\$'000 (Unaudited)	31 March 2013 HK\$'000 (Audited)
Authorised but not contracted for		
– a coal processing large scale comprehensive logistics base	141,804	139,039
Contracted but not provided for		
– investment on concession intangible asset	1,933,760	5,594,352
– investment on property, plant and equipment	22,621	–
	2,098,185	5,733,391

27. Subsequent events

On 11 September 2013, the Company and a convertible bond subscriber entered into a convertible bond agreement to subscribe for the principal amount of HK\$1,500 million with an interest rate of 9% per annum to be due 2016. On 28 November 2013, convertible bond with the principal amount of HK\$1,500 million has been fully issued.

On 16 October 2013, a total of 350,500,000 share options were granted to eligible participants to subscribe for ordinary shares at an exercise price of HK\$0.45 per share. The option may be exercisable during the period from 16 October 2013 to 15 October 2018.

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 September 2013, the Group was principally engaged in expressway operation, management, maintenance and auxiliary facility investment, property development and forest operation.

In June 2013, the Company through its wholly-owned subsidiaries entered into a capital increase agreement to further increase its equity interest in Inner Mongolia Zhunxing Heavy Haul Expressway Company Limited (內蒙古准興重載高速公路有限責任公司) (“Zhunxing”) from 55.9% to 82.27% by injection of a total cash consideration of RMB1,611,898,040 (approximately HK\$2.01 billion) into its registered capital. In order to fund the capital injection, the Company at the same time entered into certain convertible bond subscription agreements for the issue of 9% unlisted convertible bonds due 2015 with an aggregate principal amount of HK\$2,584,000,000 and share subscription agreements for the issue of 2,500,000,000 new shares of the Company at HK\$0.3 each for an aggregate value of HK\$750,000,000.

During the interim period, the Group continued with its full focus on the construction by Zhunxing of the first PRC heavy-duty toll expressway of 265km specifically designed for coal transportation in Inner Mongolia (the “Expressway”). The construction of the Expressway has been in full swing and entered the final stage of construction as well as completion of acceptance check and approval procedure.

On 21 November 2013, a grand opening ceremony was held for the Expressway’s entry into service which is a milestone in the history of the Company. The Board believes that with the opening of the Expressway for traffic and its capacity to contribute cash return to the Group on a daily basis, the Group will have a totally different turnover and asset portfolio in the coming year. In addition, the Company is still actively exploring opportunities to develop logistics base in the neighborhood of the Expressway.

On the other hand, in September 2013, the Company completed its disposal of 55% interest of its property development arm, Yichang Xinshougang Property Development Company Limited (宜昌新首鋼房地產開發有限公司) (“Yichang Xinshougang”). In addition, the Company will continue to look for opportunity to dispose its forestry related businesses so as to better utilize its resources and manpower on expressway related services investment.

FINANCIAL AND LIQUIDITY REVIEW

For the six months ended 30 September 2013, the continuing and discontinued operations of the Group recorded an unaudited turnover of approximately HK\$6,163.7 million, representing an increase of 144% over the last corresponding period (2012: HK\$2,528.3 million), which was mainly attributable to a significant increase of income generated from the construction revenue in respect of service concession arrangement amounting to HK\$6,076.2 million (2012: HK\$2,525.2 million). The three reportable segments classified as continuing operations of the Group, namely construction

and operation of expressway, timber logging and trading and other timber operation contributed approximately HK\$6,076.2 million (98.58%), HK\$3.8 million (0.06%) and HK\$0.4 million (0.01%) (2012: HK\$2,525.2 million, HK\$1.3 million and HK\$1.8 million) respectively to the Group's consolidated turnover. The property development and asset management business, the reportable segment classified as discontinued operations of the Group, contributed approximately HK\$83.3 million (1.35%) (2012: HK\$Nil) to the Group's consolidated turnover. Detailed segment turnover and contribution to loss before tax of the Group are shown in Note 4 to the financial statements. Cost of sales under continuing operations for the period was approximately HK\$5,994.3 million (2012: HK\$2,490.4 million) which was mainly contributed by service cost for the construction of the Expressway. As a result, the Group recorded a gross profit of approximately HK\$86.1 million (2012: HK\$38.0 million) under continuing operations during the period. Cost of sales under discontinued operations for the period was approximately HK\$51.0 million (2012: HK\$Nil), resulting in a gross profit of approximately HK\$32.3 million (2012: HK\$Nil).

During the period from 1 April 2013 to 16 September 2013, Yichang Xinshougang has achieved the sale of a total of approximately 12,017 square metres (31 March 2013: 15,465 square metres) gross floor area at the price of approximately RMB5,523 (HK\$6,900) (31 March 2013: RMB4,721 (HK\$5,900)) per square metre, i.e. income receivable of approximately RMB66.4 million (HK\$83 million) (31 March 2013: RMB73.0 million (HK\$91.25 million)). The sales turnover of approximately HK\$83.31 million (31 March 2013: HK\$89.68 million) has been recorded during the period upon delivery of the properties to the purchasers.

The loss before taxation for the period from continuing operations was approximately HK\$114.5 million (2012: HK\$140.9 million) and the profit before taxation from discontinued operations was HK\$25.2 million (2012: loss of HK\$4.7 million). The net loss from continuing and discontinued operations was approximately HK\$89.3 million (2012: HK\$145.7 million). The loss was mainly attributed by a loss on the change in fair value of derivative financial instruments of approximately HK\$120.5 million (2012: HK\$21.7 million), the selling and administrative expenses of approximately HK\$104.2 million (2012: HK\$156.8 million) mainly due to the costs incurred in the construction of Expressway not being capitalised, the finance costs of approximately HK\$31.3 million (2012: HK\$Nil) mainly due to the default interest on promissory note under continuing operations and a loss on the other income and other gains and losses of approximately HK\$17.9 million (2012: HK\$0.4 million), which were mainly compensations claimed by contractors and suppliers due to the suspension of construction work before acquisition of Zhunxing by the Group. The loss attributable to owners of the Company from continuing and discontinued operations for the period was approximately HK\$88.4 million (2012: HK\$116.8 million). The basic loss per share attributable to owners of the Company from continuing and discontinued operations for the period reduced to HK\$0.34 cents as compared with HK\$0.58 cents for the last corresponding period. The diluted loss per share attributable to owners of the Company from continuing and discontinued operations for the period was HK\$0.76 cents (2012: HK\$0.58 cents).

As at 30 September 2013, the Group's net assets amounted to approximately HK\$5,093.1 million (31 March 2013: HK\$5,114.4 million), representing a decrease of 0.42%. Besides, the current assets of the Group were HK\$3,981.3 million (31 March 2013: HK\$4,152.1 million) which mainly include cash and cash equivalents of approximately HK\$2,904.2 million (31 March 2013: HK\$2,033.0 million), amount due from associates of approximately HK\$210.3 million (31 March 2013: HK\$Nil), inventories of approximately HK\$122.3 million (31 March 2013: HK\$120.8 million), pledged deposits for expressway construction of approximately HK\$384.4 million (31 March 2013: HK\$117.4 million) and trade and other receivables of approximately HK\$343.0 million (31 March 2013: HK\$34.2 million). Upon the completion of the share transfer of 55% interest of Yichang Xinshougang to China International Holdings Limited (the "CIHL") (中翔國際集團有限公司) in September 2013, the assets of a disposal group classified as held for sale were HK\$Nil as at 30 September 2013 (31 March 2013: HK\$1,823.7 million). The increase in trade and other receivables during the period was primarily due to the final installment of approximately HK\$200 million to be received from CIHL by the end of December 2013.

The current liabilities increased from approximately HK\$9,027.0 million to approximately HK\$11,135.4 million during the period basically contributed by borrowings of approximately HK\$6,963.2 million (31 March 2013: HK\$5,827.1 million), trade and other payables of HK\$3,196.5 million (31 March 2013: HK\$2,188.9 million) and convertible bonds of approximately HK\$672.4 million (31 March 2013: HK\$Nil). The convertible bonds classified under current liabilities as at 30 September 2013 represented the outstanding HK\$600 million of convertible bonds due 28 September 2014.

As at 30 September 2013, the Group had an outstanding borrowing of HK\$12,859.8 million (31 March 2013: HK\$7,495.5 million), of which RMB8,800 million (approximately HK\$11,092.2 million) consisted of short term and long term secured bank loans charged with interest from 5.7% to 8.5% per annum provided by several PRC banks mainly for the investment in the construction of the Expressway. The short term secured bank loans will be refinanced by part of the long term syndicated loan facility of RMB8,820 million (approximately HK\$11 billion) upon maturity.

The remaining outstanding borrowings were unsecured loans of HK\$1,158.7 million (31 March 2013: HK\$1,137.0 million) repayable within one year and bills payables of HK\$384.4 million (31 March 2013: HK\$117.4 million) secured by bank deposits for payments of construction materials and construction fees of the Expressway. An unsecured loan of RMB495.3 million (approximately HK\$624.3 million) was owned by Zhunxing to an authorised financial institution with interest bearing at 0.0288% per day. The said loan was unconditionally assigned by one of the former non-controlling equity holders of Zhunxing to the authorised financial institution on 6 February 2012 with consent of the Group. The rest of the unsecured loans of HK\$534.5 million (31 March 2013: HK\$524.93 million), mainly obtained from two independent third parties with interest bearing at 20% per annum, were utilised as general working capital and to finance its capital contribution to registered capital of Zhunxing.

As at 30 September 2013, the gearing ratio of the Group, measured as total liabilities to total assets, was 78.7% (31 March 2013: 71.1%).

The Group's business operations, assets and liabilities are denominated mainly in Hong Kong dollars, Renminbi and US dollars, thus depreciation in Hong Kong dollars has resulted in a net exchange loss. Save as aforesaid, the Board considered foreign exchange risk being minimal. The management will review from time to time of the potential foreign exchange exposure and will take appropriate measures to minimise the risk of foreign exchange exposure in the future.

As at 30 September 2013, the Group had capital commitments (apart from the disposal group) of HK\$2,098.2 million (31 March 2013: HK\$5,733.4 million). The substantial decrease in the capital commitments outstanding was mainly due to the reduction in the investment on concession intangible asset representing the construction cost of the Expressway.

The Group did not use any financial instruments for hedging purposes and did not have foreign currency investments being hedged by foreign currency borrowings and other hedging instruments.

MATERIAL EVENTS AND PROSPECT

Capital Increase in Zhunxing

On 10 June 2013, Cheer Luck Technology Limited and Shu Ren Wood (Shenzhen) Limited, both being wholly owned subsidiaries of the Company, entered into a capital increase agreement (the "Capital Increase Agreement") with the other shareholders of Zhunxing. Pursuant to the Capital Increase Agreement, the Group has increased its equity interest in Zhunxing from 55.9% to 82.27% by injection into its registered capital a total cash consideration of RMB1,611,898,040 (approximately HK\$2.01 billion) (the "Consideration"). The Capital Increase Agreement was approved by shareholders of the Company on 26 August 2013 and completion took place on 27 August 2013 upon the issuance of the Certificate of Approval for foreign investment by PRC department of commerce.

As at 30 September 2013, an installment of HK\$500 million (approximately RMB400 million) equivalent to 24.8% of the Consideration had been paid by the Company and the balance shall be paid by installments according to the schedule set out in the Capital Increase Agreement.

After the opening of the Expressway, the Board believes that the capital increase will yield significant return to the Group and is in conformity with the Group's development directions and commitment on the expressway business.

Issue of the 2015 Convertible Bonds

In order to raise fund for payment of the Consideration and repay certain convertible debts to be due in 2014, the Company entered into convertible bonds subscription agreements with seven subscribers (all being institutional investors except Dr. Lo Ka Shui) on 14 June 2013 for the issue of 9% unlisted convertible bonds due 2015 with an aggregate principal amount of HK\$2,584,000,000 (the “2015 Convertible Bonds”). The 2015 Convertible Bonds carries an interest rate of 9% per annum which will be payable by the Company annually in arrears.

The bondholders will be entitled to convert the 2015 Convertible Bonds into ordinary shares of the Company at an initial conversion price of HK\$0.32 per conversion share (subject to the normal adjustments) at any time during the period commencing from the date of issue of the convertible bonds. Assuming full conversion of the 2015 Convertible Bonds at the conversion price of HK\$0.32 per share, the 2015 Convertible Bonds will be convertible into approximately 8,075,000,000 new shares (“Conversion Shares”). The Conversion Shares have a nominal value of HK\$80,750,000 and a market value of approximately HK\$2,462.9 million based on the closing price of HK\$0.305 on 10 June 2013, the last trading day prior to the date of the subscription agreements. The total net proceeds from the issue of the 2015 Convertible Bonds would be approximately HK\$2,581 million, i.e. a net price of HK\$0.3196 per share of the Company.

The issue of the 2015 Convertible Bonds was approved by shareholders of the Company on 26 August 2013 and on 3 September 2013, an aggregate principal amount of HK\$1,984,000,000 convertible bonds were issued with the balance of which pending to be issued to China Life Insurance (Overseas) Company Limited. The 2015 Convertible Bonds issued to Li Ka Shing (Canada) Foundation and Dr. Lo Ka Shui were used to set off their 9% convertible bonds to be due on 28 September 2014.

Issue of 2,500,000,000 Subscription Shares

On 14 June 2013, the Company entered into a share subscription agreement with each of Turbo View Investment Limited and Wisdom Accord Limited for the issue of 1,500,000,000 and 1,000,000,000 (a total of 2,500,000,000) new ordinary shares respectively at a subscription price of HK\$0.30 per share. The issue of the 2,500,000,000 new shares (the “Subscription Shares”) was approved by shareholders of the Company on 26 August 2013 and all the Subscription Shares were issued at an aggregate consideration of HK\$750 million on 30 August 2013.

Based on the closing price of HK\$0.305 per Share on 10 June 2013, the last trading day prior to the date of the share subscription agreements, the Subscription Shares have a market value of HK\$762.5 million and an aggregate nominal value of HK\$25 million. The net proceed from the share subscription was approximately HK\$747 million and the net price per Subscription Share is approximately HK\$0.2988. The Company intends to apply the net proceeds to fund the Consideration and for general working capital of the Group.

Issue of the 2016 Convertible Bonds

On 11 September 2013, the Company and Strait Capital Service Limited (“Strait Capital”) entered into a convertible bond subscription agreement for the issue of convertible bonds by the Company to Strait Capital in the principal amount of HK\$1,500 million with an interest rate of 9% per annum to be due on the date falling on the third anniversary of the issue date (“2016 Convertible Bonds”). The 2016 Convertible Bonds shall be convertible at any time during the period commencing from the date of issuance till maturity at HK\$0.37 (subject to the normal adjustments) per new share of the Company and thus will be convertible into a total of 4,054,054,054 new shares with a nominal value of approximately HK\$40.54 million and a market value of approximately HK\$1,418.92 million based on the closing price of the shares of HK\$0.350 on 11 September 2013, being the date of the agreement.

The 2016 Convertible Bonds were issued under the general mandate granted to the directors of the Company on 26 August 2013. As at the date of this report, all the 2016 Convertible Bonds were issued.

The net proceeds from the issue of the 2016 Convertible Bonds were approximately HK\$1,499.5 million and the net issue price of each share is HK\$0.3699. The Company intends to apply the net proceeds from the issue of the 2016 Convertible Bonds as general working capital of the Group and for funding the Consideration.

Completion of Disposal of the Property Development Arm in the PRC

On 16 September 2013, the Company completed the share transfer of 55% interest of Yichang Xinshougang to CIHL, a Singapore listed company at a consideration of HK\$550 million. The final installment of the consideration totalling approximately HK\$200 million will be payable to the Company before the end of December 2013. The proceeds generated by the disposal were and will be used as working capital of the Group.

The completion of the disposal helps the Group to divest its non-core business and focus on expressway operation and management.

CAPITAL COMMITMENT

As at 30 September 2013, apart from the disposal group, the Group had a capital commitment of approximately HK\$2,098.2 million in relation to the investments on a coal processing large scale comprehensive logistics base, concession intangible asset and property, plant and equipment.

CHARGES ON ASSETS

As at 30 September 2013, pledged deposits amounted to HK\$384.4 million were cash deposited in a certain bank for issuing bills payables for the purchases of construction materials and payments of construction fees for the Expressway.

CONTINGENT LIABILITIES

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

EMPLOYEES

The Group has approximately 263 employees in Hong Kong, PRC and Guyana as at 30 September 2013. The Group ensures that the pay scales of its employees are rewarded on a performance rated basis within the general framework of the Group's remuneration policy.

SHARE OPTION SCHEME

The Share Option Scheme of the Company was adopted on 16 July 2004 and shall remain in force for 10 years from the adoption date unless otherwise terminated or amended.

As at 30 September 2013, no share option has been granted, exercised, cancelled or lapsed.

SALE AND PURCHASE OF SHARES

There was no purchase, sale or redemption of shares in the Company made by the Company or any of its subsidiaries during the six months ended 30 September 2013.

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

Save as disclosed below, 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 executive of the Company held any interest or short positions on the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and SEHK pursuant to Divisions 7 and 8 Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO); or (ii) were 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 Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 of the Listing Rules, to be notified to the Company and SEHK.

LONG POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

Name of Director	Number of Shares		Number of underlying Shares		Total number of Shares and underlying Shares held	Approximate percentage (%) of issued share capital
	personal interest	corporate interests	personal interest	corporate interests		
Mr. Cao Zhong (Note 1)	124,200,000	2,975,800,000	NIL	NIL	3,100,000,000	11.02
Mr. Fung Tsun Pong (Note 2)	1,242,362,449	1,814,300,000	NIL	NIL	3,056,662,449	10.87
Mr. Tsang Kam Ching, David	51,624,499	NIL	NIL	NIL	51,624,499	0.18

Notes:

1. Champion Rise International Limited ("CRIL") being wholly owned by Mr. Cao Zhong was interested in 2,975,800,000 Shares, representing approximately 10.58% in the issued share capital of the Company. CRIL is a substantial shareholder of the Company and its shareholding in the Company is set out in the section headed "Substantial Shareholders".
2. Ocean Gain Limited ("OGL") being wholly owned by Mr. Fung Tsun Pong was interested in 1,814,300,000 Shares, representing approximately 6.45% in the issued share capital of the Company. OGL is a substantial shareholder of the Company and its shareholding in the Company is set out in the section headed "Substantial Shareholders".

SUBSTANTIAL SHAREHOLDERS

Save as disclosed below, as at 30 September 2013, according to the register of interest kept by the Company, under section 336 of the SFO and so far as was known to the Directors, no other person or companies had an interest or short positions in the shares or underlying shares which fall to be disclosed to the Company under the provision of Divisions 2 and 3 of part XV of the SFO or who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other members of the Group.

LONG POSITION IN SHARES

Name of Shareholders	Number of shares		Number of underlying shares		Total number of shares and underlying shares held	Approximate percentage (%) of issued share capital
	personal interest	corporate interests	personal interest	corporate interests		
Champion Rise International Limited (Note a)	NIL	2,975,800,000	NIL	NIL	2,975,800,000	10.58
Vivid Beyond Securities Limited (Note b)	NIL	2,500,000,000	NIL	NIL	2,500,000,000	8.89
China Alliance International Holding Group Limited (Note c)	NIL	2,025,862,068	NIL	NIL	2,025,862,068	7.21
Ocean Gain Limited (Note d)	NIL	1,814,300,000	NIL	NIL	1,814,300,000	6.45
Turbo View Investment Limited (Note e)	NIL	1,500,000,000	NIL	NIL	1,500,000,000	5.34
Li Ka Shing (Canada) Foundation (Note f)	NIL	NIL	NIL	4,062,500,000	4,062,500,000	14.45
China Life Insurance (Overseas) Company Ltd. (Note g)	NIL	1,145,800,000	NIL	2,125,000,000	3,270,800,000	11.63
Joint Gain Holdings Ltd. (Note h)	NIL	NIL	NIL	2,000,000,000	2,000,000,000	7.11
Jiao Xuding (Note i)	1,000,000	NIL	NIL	2,000,000,000	2,001,000,000	7.11
Strait Capital Service Limited (Note j)	NIL	NIL	NIL	4,054,054,054	4,054,054,054	14.42

Notes:

- a. Champion Rise International Limited (“CRIL”) is wholly owned by Mr. Cao Zhong, the Chairman and an executive Director of the Company whose interest in shares or underlying shares of the Company is set out in the above section headed “Directors’ Interests and Short Positions in Shares, Underlying Shares and Debentures”.
- b. Vivid Beyond Securities Limited is wholly owned by Mr. Hu Wei.
- c. China Alliance International Holding Group Limited is wholly owned by Ms. Zhang Lei.
- d. Ocean Gain Limited is wholly owned by Mr. Fung Tsun Pong, an executive Director and the Vice Chairman of the Company whose interest in shares or underlying shares of the Company is set out in the above section headed “Directors’ Interests and Short Positions in Shares, Underlying Shares and Debentures”.
- e. Turbo View Investment Limited is wholly owned by Gao Xiao Rui.
- f. Li Ka Shing (Canada) Foundation (“LKSCF”) was interested in HK\$1,300,000,000 convertible bonds issued on 3 September 2013 by the Company which are convertible into 4,062,500,000 Shares at HK\$0.32 per Share. Each of Mr. Li Ka-Shing and Mr. Li Tzar Kuoi, Victor may be regarded as having the ability to exercise or control the exercise of one-third or more of the voting power at the general meetings of LKSCF, thus is deemed to be interested in the underlying Shares held by LKSCF.

- g. China Life Insurance (Overseas) Company Ltd. (“CLIOCL”) was interested in HK\$600,000,000 convertible bonds issued on 28 September 2011 by the Company which are convertible into 1,500,000,000 Shares at HK\$0.40 per Share and HK\$200,000,000 convertible bonds issued on 3 September 2013 by the Company which are convertible into 625,000,000 Shares at HK\$0.32 per Share. CLIOCL is further interested in 1,145,800,000 (4.07%) Shares held by its wholly owned subsidiary, China Life Trustees Limited. China Life Insurance (Group) Company is the holding company of CLIOCL and is deemed to be interest in the shares and underlying shares held by CLIOCL.
- h. Joint Gain Holdings Limited (“Joint Gain”) is interested in 2,000,000,000 conditional warrants issued by the Company on 19 April 2013 exercisable subject to certain conditions on or before 20 December 2015 at HK\$0.48 per Share. Joint Gain is held as to 50% by Success Pacific Holdings Limited (“Success Pacific”) and 50% by Billion Grant Limited (“Billion Grant”). Billion Grant is held as to 50% by each of Mr. Ho Kee Cheung Louis and Mr. Tsang Ka Lun as trustee and Mr. Jiao Xuding is the beneficiary of the trust. Success Pacific is wholly owned by Mr. Yang Yong. Thus Billion Grant, Mr. Ho Kee Cheung Louis, Mr. Tsang Ka Lun, Mr. Jiao Xuding, Success Pacific and Mr. Yang Yong are all deemed to be interested in the warrants held by Joint Gain.
- i. Mr. Jiao Xuding is the beneficial owner of 1,000,000 Shares and is deemed to be interested in the warrants held by Joint Gain as a beneficiary of a trust under Billion Grant.
- j. On 11 September 2013, Strait Capital Service Limited and the Company entered into a convertible bonds subscription agreement for the issue of 9% unlisted convertible bonds due 2016 in the principal amount of HK\$1,500 million which are convertible into 4,054,054,054 new Shares at the initial exercise price of HK\$0.37 per share.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Save for the deviations as reported and discussed in the Corporate Governance Report as set forth in the Company’s 2013 Annual Report, none of the Directors are aware of any information that would reasonably indicate that the Company is not, or was not throughout the period, in compliance with the Corporate Governance Code as set out in Appendix 14 of the Listing Rules (the “CG Code”). The Board will review the corporate governance practice of the Company regularly and effect changes if necessary.

THE MODEL CODE

The Company has adopted a code of conduct regarding directors’ securities transactions on terms no less than the required standard set out in the Model Code in Appendix 10 of the Listing Rules and the Directors of the Company have confirmed that they have complied with the required standard set out in the Model Code and the Company’s code of conduct regarding directors’ securities transactions.

APPOINTMENT OF DIRECTOR

Mr. Gao Zhiping was appointed as an executive director of the Company with effect from 17 June 2013.

AUDIT COMMITTEE

The Company has established its Audit Committee in accordance with the requirements of the rules governing the listing of securities on The Stock Exchange of Hong Kong Limited. The Audit Committee comprising all independent non-executive directors of the Company (“INEDs”), namely Mr. Yip Tak On (Chairman), Mr. Jing Baoli and Mr. Bao Liang Ming, is responsible for reviewing the Group’s accounting practices and policies, the external audit, internal controls and risk evaluation. The Audit Committee of the Company has reviewed and discussed with the management the internal control, financial reporting matters and the unaudited interim financial report for the six months ended 30 September 2013.

REMUNERATION COMMITTEE

The Remuneration Committee of the Company was established with terms of reference in compliance with the CG code and is responsible for the formulation and review of the remuneration policy of the Company, determine the specific remuneration packages of all executive Directors and senior management, and approve compensation and performance-based remuneration.

The remuneration committee comprises all the INEDs, Mr. Yip Tak On (Chairman), Mr. Jing Baoli and Mr. Bao Liang Ming and an executive director, Mr. Cao Zhong.

NOMINATION COMMITTEE

The Nomination Committee was established with terms of reference in compliance with the CG Code and chaired by Mr. Cao Zhong, the Chairman of the Board with all the three INEDs as members. The primary duties of the Nomination Committee are to review the structure, diversity, size and composition of the Board, make recommendations on any proposed changes to the Board, advise on the appointment or re-appointment of Directors, assess the independence of INEDs, conduct interviews with qualified candidates, recommend suitable candidates for directorship to the Board, review the board diversity policy and ensure that all nominations are fair and transparent. On 13 June 2013, a meeting was held by the Nomination Committee for advising on the appointment of Mr. Gao Zhiping.

OTHER DISCLOSURE

Save as disclosed, the Group either has had no material changes from the information disclosed in the latest annual report of the Company or are considered not significant to the Group's operations, thus no additional disclosure has been made in this report.

PUBLICATION OF RESULTS ON THE STOCK EXCHANGE'S WEBSITE

All the information required by paragraphs 46 of Appendix 16 to the Listing Rules will be published on the website of The Stock Exchange of Hong Kong Limited and the Company's website (www.crtg.com.hk) in due course.

By order of the Board

China Resources and Transportation Group Limited

Cao Zhong

Chairman

Hong Kong, 29 November 2013

As at the date of this report, the Board comprises five executive Directors, namely Messrs Cao Zhong, Fung Tsun Pong, Duan Jingquan, Tsang Kam Ching, David and Gao Zhiping; and three independent non-executive Directors, namely Messrs Yip Tak On, Jing Baoli and Bao Liang Ming.