



易易壹金融集團有限公司

EASY ONE FINANCIAL GROUP LIMITED

(Formerly known as PNG Resources Holdings Limited)
(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
Stock Code: 221



Interim Report 2015





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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Chan Chun Hong, Thomas
(*Chairman & Managing Director*)

Mr. Cheung Wai Kai

Independent Non-executive Directors

Mr. Sin Ka Man

Mr. Yuen Kam Ho, George, *FHKIoD*

Mr. Cheung Sau Wah, Joseph, *PMSM*

AUDIT COMMITTEE

Mr. Sin Ka Man (*Chairman*)

Mr. Yuen Kam Ho, George, *FHKIoD*

Mr. Cheung Sau Wah, Joseph, *PMSM*

REMUNERATION COMMITTEE

Mr. Cheung Sau Wah, Joseph, *PMSM*
(*Chairman*)

Mr. Sin Ka Man

Mr. Yuen Kam Ho, George, *FHKIoD*

Mr. Chan Chun Hong, Thomas

Mr. Cheung Wai Kai

NOMINATION COMMITTEE

Mr. Yuen Kam Ho, George, *FHKIoD*
(*Chairman*)

Mr. Cheung Sau Wah, Joseph, *PMSM*

Mr. Sin Ka Man

Mr. Chan Chun Hong, Thomas

Mr. Cheung Wai Kai

INVESTMENT COMMITTEE

Mr. Chan Chun Hong, Thomas (*Chairman*)

Mr. Cheung Wai Kai

Mr. Cheung Sau Wah, Joseph, *PMSM*

COMPANY SECRETARY

Mr. Cheung Chin Wa, Angus

LEGAL ADVISERS

DLA Piper Hong Kong

AUDITORS

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

PRINCIPAL BANKERS

China Construction Bank (Asia)
Corporation Limited

The Hongkong and Shanghai Banking
Corporation Limited

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

5/F., Wai Yuen Tong Medicine Building
9 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT IN BERMUDA

Codan (Services) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Tengis Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

HOMEPAGE

www.easyonefg.com

STOCK CODE

221

INTERIM DIVIDEND

The board of directors (the “**Board**” or “**Directors**”) of PNG Resources Holdings Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) do not recommend the payment of any interim dividend for the six months ended 30 September 2015 (2014: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

For the six months ended 30 September 2015, the Group recorded a turnover of approximately HK\$600.7 million (2014: approximately HK\$454.7 million), representing a growth of approximately 32%, of which turnover generated from property sales in the People’s Republic of China (the “**PRC**”) amounted to approximately HK\$559.7 million (2014: approximately HK\$422.2 million).

The Group’s net profit after tax attributable to the owners of the Company for the period was approximately HK\$42.1 million (2014: approximately HK\$48.7 million). The decrease was mainly due to, among other things, the increase in profit realised from the sales of properties in the PRC and the deemed gain resulting from the rights issue of an associate, netting off by the negative impacts arising from the decrease in fair value of the financial assets at fair value through profit or loss and the share of results and losses on the deemed disposal of an associate of the Group.

OPERATION AND BUSINESS REVIEW

During the period under review, the Group was principally engaged in the businesses of property development in the PRC, retailing of fresh pork and related produce in Hong Kong, and owned a forestry and logging project in Papua New Guinea (“**PNG**”) which has been disposed of.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

OPERATION AND BUSINESS REVIEW (Continued)

Property Development

As at 30 September 2015, the Group held a total of approximately 0.5 million square feet site area of residential and commercial land reserves in two projects in the PRC. As at the date of this report, the details of the Group's two property development projects in the PRC are as follows:

City/Province	Percentage ownership/ interest	Approximate site area (square feet)	Approximate saleable area (square feet)	Development plan
Fuzhou, Jiangxi Province	100%	0.3 million	0.7 million	Residential cum commercial complex
Dongguan, Guangdong Province	100%	0.2 million	0.4 million	Commercial complex
Total		0.5 million	1.1 million	

The majority of the fifth phase of the Fuzhou project was completed and handed over to the buyers during the period under review. The remaining part of the fifth phase is in the progress of pre-sales and the construction is expected to be completed by the end of 2015. The construction of the sixth phase (Part A) was commenced at the beginning of 2015 and is expected to be completed in the second-half of 2016.

All phases of the Dongguan project were completed. The shopping complex was opened in December 2014. Over 84% of the letting area was leased as at the date of this report.

As at the date of this report, the Group sold all and more than 98% of residential and commercial units which had been put up for sales under the Dongguan and Fuzhou projects, respectively. The Group's turnover of property sales for the period ended 30 September 2015 was approximately HK\$559.7 million (2014: approximately HK\$422.2 million).

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

OPERATION AND BUSINESS REVIEW *(Continued)*

Retail of Fresh Pork and Related Produce

The sales of fresh pork and related produce in Hong Kong continued to generate steady income and cash flow for the Group. The Group operated 14 stalls as at 30 September 2015 (31 March 2015: 13).

Forestry Project in PNG

The Group completed the acquisition of a majority stake in a forestry project in PNG in October 2009. On 19 September 2013, Rich Skill Investments Limited, an indirect wholly-owned subsidiary of the Company, and Ms. To Yuk Fung, a former Director, entered into an agreement in relation to, inter alia, the disposal of the Group's entire interest in Skywalker Global Resources Company Limited which holds the forestry project in PNG. Details of the transaction were disclosed in the announcement of the Company dated 19 September 2013 and the circular of the Company dated 7 November 2013. The disposal was completed in April 2015.

Liquidity and Financial Resources

The Group's total assets as at 30 September 2015 were approximately HK\$2,179.3 million (31 March 2015: approximately HK\$2,234.1 million) which were financed by total liabilities and total equity of approximately HK\$682.1 million (31 March 2015: approximately HK\$1,136.9 million) and approximately HK\$1,497.1 million (31 March 2015: approximately HK\$1,097.2 million), respectively. The current ratio as at 30 September 2015 was approximately 2.8 times (31 March 2015: approximately 1.9 times).

As at 30 September 2015, the Group's aggregate bank borrowings amounted to approximately HK\$325.9 million (31 March 2015: approximately HK\$348.2 million). The gearing ratio was calculated by reference to the Group's total borrowings net of cash and cash equivalents and the total equity of the Group. As at 30 September 2015 and 31 March 2015, the balances of cash and cash equivalents of the Group were larger than the total borrowings of the Group, the gearing ratios were nil.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

OPERATION AND BUSINESS REVIEW *(Continued)*

Exposure to Fluctuation in Exchange Rates

The revenue, bank deposits and operating costs of the Group are mainly denominated in Hong Kong dollars and Renminbi (“RMB”). The Group is not exposed to any material foreign currency exchange risk.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2015, the Group had a total of 134 employees (31 March 2015: 179), in which 11 employees were located in Hong Kong and 123 employees were located in the PRC. The Group’s remuneration policy is reviewed periodically by the remuneration committee and the Board and remuneration is determined by reference to the market terms, company performance and individual qualifications and performance. The Group participates in a Mandatory Provident Fund Scheme for eligible employees in Hong Kong.

The Group has also adopted a performance based reward system to motivate its staff and such system is reviewed on a regular basis. On 21 August 2012, the Company adopted a new share option scheme (the “**Share Option Scheme**”) which became effective on 21 August 2012 in compliance with Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The Board has not granted any share option under the Share Option Scheme since its adoption.

CONTINGENT LIABILITIES AND CHARGE ON ASSETS

As at 30 September 2015, the Group had no significant contingent liability (31 March 2015: Nil).

As at 30 September 2015, (i) the PRC land reserves and stock of properties with a carrying value of approximately HK\$35.3 million (31 March 2015: approximately HK\$84.5 million) and approximately HK\$275.5 million (31 March 2015: approximately HK\$281.3 million); and (ii) shares of several subsidiaries were pledged to secure the Group’s banking facilities.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

CAPITAL COMMITMENT

The Group's capital commitment as at 30 September 2015 amounted to approximately HK\$73.1 million (31 March 2015 : approximately HK\$186.1 million).

FINANCIAL IMPACT OF THE RIGHTS ISSUES AND THE PLACING DONE BY AN ASSOCIATE OF THE GROUP

References were made to the joint announcements of, inter alia, the Company dated 8 January 2015 and 29 January 2015 and the announcement of the Company dated 8 April 2015 and the circular of the Company dated 13 March 2015 in relation to the subscription of rights shares (the "**CAP First Rights Issue**") of China Agri-Products Exchange Limited ("**CAP**"). A total of 485,959,265 shares in CAP were allotted to the Group in consideration of the subscription amount of approximately HK\$145.8 million. The CAP First Rights Issue was completed on 14 May 2015, and the Group held 529,233,356 shares of CAP, representing approximately 27.28% of the enlarged issued share capital of CAP after the CAP First Rights Issue and recorded a gain on bargain purchase of approximately HK\$85.8 million for such increase of its shareholdings in CAP.

References were made to the joint announcements of the Company and CAP dated 7 July 2015 and 16 July 2015 respectively in relation to CAP's placing of 387,000,000 shares (the "**Placing**"). The Placing constituted a deemed disposal of the Group's interest in an associate resulting in the decrease of the Group's shareholding in CAP from approximately 27.28% to approximately 22.75% and a loss of approximately HK\$58.8 million was recorded.

References were made to the joint announcements of, inter alia, the Company dated 4 November 2015 in relation to the subscription of rights shares of CAP (the "**CAP Second Rights Issue**"). Pursuant to an irrevocable undertaking issued by the Company dated 30 October 2015 (as varied on 4 November 2015) in favor of CAP, the Group had undertaken to subscribe for 158,770,006 rights shares by accepting its provisional allotment and to apply, by way of excess application, for 70,000,000 rights shares at the subscription price of HK\$0.42 per rights share. As of the date of this report, the CAP Second Rights Issue has not been completed. Details of the CAP Second Rights Issue were disclosed in the said joint announcement dated 4 November 2015.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

FUND RAISING ACTIVITIES

On 14 April 2015, the Company entered into a placing agreement with Kingston Securities Limited (“**Kingston**”) in relation to the placing of 220,000,000 shares of the Company (the “**2015 Placing**”) at the placing price of HK\$0.225 per placing share. The closing price per share of the Company as quoted on the Stock Exchange on the date of the placing agreement was HK\$0.27. The 2015 Placing was completed on 30 April 2015. The aggregate gross and net proceeds from the 2015 Placing were approximately HK\$49.5 million and approximately \$47.9 million, respectively. As of 30 September 2015, the proceeds were all utilized as intended. The Company utilized approximately HK\$35.0 million for repayment of indebtedness and the remaining balance of approximately HK\$12.9 million as general working capital of the Group (the main components include salary and marketing expenses). Details of the 2015 Placing were disclosed in the announcements of the Company dated 14 April 2015 and 30 April 2015.

On 4 June 2015, the Company announced, inter alia, the entering into of an underwriting agreement with Kingston regarding the rights issue (the “**2015 Rights Issue**”) and the change in board lot size which were subject to, among others, the shareholders’ approval at a special general meeting. The closing price per share in the Company as quoted on the Stock Exchange on the date of the underwriting agreement (i.e. 28 May 2015) was HK\$0.325. Pursuant to the 2015 Rights Issue, the Company would allot and issue 3,317,375,000 rights shares at the subscription price of HK\$0.168 per rights share, on the basis of five rights shares for every two shares of the Company. On 16 July 2015, the Company announced the change of subscription price to HK\$0.105 per rights share by entering into a supplemental underwriting agreement dated 10 July 2015 and the closing price per share in the Company as quoted on the Stock Exchange on the date entering into the supplemental underwriting agreement was HK\$0.177. The adjusted net proceeds from the 2015 Rights Issue were approximately HK\$338.3 million. The Company intended to utilize the net proceeds as to approximately HK\$100 million for granting a revolving loan to CAP, approximately HK\$160 million for potential investments, approximately HK\$52.9 million for repayment of indebtedness, approximately HK\$20.0 million for repayment of construction costs and the remaining balance of approximately HK\$5.4 million as general working capital of the Group. The 2015 Rights Issue was completed on 22 September 2015. As of 30 September 2015, approximately HK\$8.1 million was utilized for repayment of construction costs, approximately HK\$1.4 million was utilized for general working capital, mainly salary expenses, and the remaining balance would be used as intended. Details of the 2015 Rights Issue were disclosed in the joint announcements of, inter alia, the Company dated 4 June 2015 and 16 July 2015, the announcement of the Company dated 21 September 2015, the circular of the Company dated 31 July 2015 and the prospectus of the Company dated 28 August 2015.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

FUTURE PLANS AND PROSPECTS

According to the report published by the National Bureau of Statistics of the PRC in November 2015, the amounts of investment in property development sector in the PRC and the sales amount of property section in the PRC have indicated a slow down in growth since October 2015. Under the backdrop of China's transition from the remarkable rapid economic growth to a more moderate growth, the Group will continue to monitor the market situation and take a more conservative approach in our property development sector and, on the other hand, expand other new business opportunities to deliver long-term benefit to our shareholders. Looking ahead, we expect that the commercial part of the projects will continue to bring a positive contribution to the revenue of the Group. In respect of the new business development direction, we disclosed in the announcements of the Company dated 9 October 2015 and 9 November 2015 and the circular of the Company dated 16 October 2015 in respect of the proposed change of Company's name. We are pleased to report that, the change of Company's name was approved by the shareholders of the Company on 9 November 2015. Subject to all necessary approvals and filing requirements, the new name of the Company "Easy One Financial Group Limited 易易壹金融集團有限公司" will become effective. The new Company name signified our brand new business direction. Having started the money lending business after the reporting period, the Group's footprints have extended to a new business area. We believed the financing business would become a blue ocean for the Group's future development and are looking forward to a fruitful result contributing from this new sector in the coming years.

DISCLOSURE OF INTERESTS

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 September 2015, none of the Directors and chief executive of the Company, nor their respective associates, had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Part XV of the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules.

DISCLOSURE OF INTERESTS *(Continued)*

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the period for the six months ended 30 September 2015 were rights to acquire benefits by means of the acquisition of shares or underlying shares in or debentures of the Company granted to any Director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or chief executives of the Company to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

To the best of the Directors' knowledge, as at 30 September 2015, the following persons (other than the Directors or chief executive of the Company) had, or was deemed or taken to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange pursuant to section 336 of the SFO or, who had notified the Company of the relevant interests or short positions in the shares or underlying shares of the Company:

Long positions in the shares of the Company:

Name of shareholder	Number of shares	Approximate percentage of the Company's total issued share capital <i>(Note 2)</i> %
Wai Yuen Tong Medicine Holdings Limited (" WYT ") <i>(Note 1)</i>	1,324,186,250	28.51

Notes:

- (1) Hearty Limited and Suntech Investments Limited held 1,312,342,250 shares and 11,844,000 shares of the Company, respectively. Both companies were wholly-owned subsidiaries of Total Smart Investments Limited which was an indirect wholly-owned subsidiary of WYT.
- (2) The percentage represented the number of shares over the total issued share capital of the Company as at 30 September 2015 of 4,644,325,000 shares.

DISCLOSURE OF INTERESTS *(Continued)*

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES *(Continued)*

Save as disclosed above, as at 30 September 2015, there were no other persons (other than the Directors or chief executive of the Company) who had any interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

SHARE OPTION SCHEME

The Company has adopted a performance based reward system to motivate its staff and such system is reviewed on a regular basis. On 21 August 2012, the Company adopted the Share Option Scheme in compliance with Chapter 17 of the Listing Rules. The Share Option Scheme became effective on 21 August 2012 and, unless otherwise cancelled or amended, will remain in force for a period of 10 years from that date.

The Board has not granted any share option under the Share Option Scheme since its adoption. As at the date of this interim report, the maximum number of shares available for issue upon exercise of all options to be granted under the Share Option Scheme shall not exceed 76,915,000, representing approximately 1.66% of the total issued share capital of the Company.

CORPORATE GOVERNANCE AND OTHER INFORMATION

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

In the opinion of the Board, the Company had complied with the code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules throughout the period for the six months ended 30 September 2015 except for the following deviations:

Code provision A.2.1

Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual.

CORPORATE GOVERNANCE AND OTHER INFORMATION

(Continued)

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE *(Continued)*

Code provision A.2.1 (Continued)

Mr. Chan Chun Hong, Thomas currently takes up the roles of both the chairman and managing director of the Company and is responsible for overall corporate planning, strategic policy making and managing of day-to-day operations of the Group. Mr. Chan has extensive experience in the industry which is of great value to overall development of the Company. The Company does not propose to comply with code provision A.2.1 of the CG Code for the time being as the Board considers that the balance of power and authority is ensured by the operation of the Board, which comprises experienced individuals with a balance of skills and experience appropriate for the requirements of the Group. The current structure also allows flexibility and enhances the efficiency of decision-making process in response to the constantly changing competitive environment.

The Group will continue to review and recommend such proposals, as appropriate, in aspect of such deviations or other aspects in order to enhance the Company's competitiveness and operating efficiency, to ensure its sustainable development and to generate greater returns for the shareholders of the Company.

DISCLOSURES PURSUANT TO RULE 13.20 OF THE LISTING RULES

Pursuant to a subscription agreement dated 4 October 2014 entered into between Peony Finance Limited ("**Peony Finance**"), an indirect wholly-owned subsidiary of the Company and CAP, Peony Finance subscribed a bond of HK\$150 million for a term of 5 years with the interest rate of 10% per annum (the "**Bonds**"). The subscription was completed on 28 November 2015. Details of the Bonds were disclosed in the announcements of the Company dated 4 October 2014, 10 November 2015 and 28 November 2015 and the circular of the Company dated 24 October 2014. The Group advanced an aggregate of HK\$150 million to CAP under the Bonds which remained outstanding as at the end of the reporting period.

CORPORATE GOVERNANCE AND OTHER INFORMATION

(Continued)

UPDATE ON DIRECTORS' INFORMATION PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Directors' Emoluments

With effect from 1 April 2015, the basic annual salary payable (i) to Mr. Chan Chun Hong, Thomas has been increased by HK\$4,320, and (ii) to Mr. Cheung Wai Kai has been increased by HK\$48,240, respectively.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the six months ended 30 September 2015.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by Directors. Having made specific enquiry of all Directors, the Company confirmed that all Directors had complied with the required standard set out in the Model Code adopted by the Company throughout the period under review.

CORPORATE GOVERNANCE AND OTHER INFORMATION

(Continued)

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) comprises three independent non-executive Directors, namely Messrs. Sin Ka Man, Yuen Kam Ho, George and Cheung Sau Wah, Joseph, and is chaired by Mr. Sin Ka Man. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the unaudited condensed consolidated interim financial statements of the Group and the interim report for the six months ended 30 September 2015.

By Order of the Board
Chan Chun Hong, Thomas
Chairman and Managing Director

Hong Kong, 19 November 2015

INTERIM RESULTS

The Board announces the unaudited condensed consolidated interim results of the Group for the six months ended 30 September 2015, together with the comparative figures for the corresponding period in 2014. The unaudited condensed consolidated interim financial statements have been reviewed by the Audit Committee.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2015

		For the six months ended 30 September	
		2015	2014
		(Unaudited)	(Unaudited)
		HK\$'000	HK\$'000
	Notes		
Continuing operations			
Turnover	4	600,729	454,684
Cost of sales		(403,662)	(285,943)
Gross profit		197,067	168,741
Other revenue	4	12,390	15,244
Selling and distribution expenses		(22,191)	(20,524)
Administrative expenses		(36,014)	(36,830)
Share of results of an associate		39,734	4,586
Loss on deemed disposal of interest in an associate		(58,765)	(56,083)
Net (loss)/gain on financial assets at fair value through profit or loss		(53,555)	20,361
Finance costs	5	(6,036)	(13,461)
Profit before taxation	6	72,630	82,034
Taxation	7	(30,627)	(33,269)
Profit for the period from continuing operations		42,003	48,765
Discontinued operation			
Profit/(loss) for the period from discontinued operation	8	140	(129)
Profit for the period		42,143	48,636

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *(Continued)*

For the six months ended 30 September 2015

		For the six months ended 30 September	
		2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Notes			
	Other comprehensive income/(loss), net of tax		
	<i>Items that may be reclassified subsequently to profit or loss:</i>		
	Share of changes in other comprehensive income in an associate	(964)	(21,859)
	Reclassification adjustment on share of changes in other comprehensive income in an associate	1,360	(192)
	Exchange differences arising on translation of financial statements of overseas subsidiaries	(5,995)	4,322
	Change in fair value of available-for-sale financial assets	15,786	—
	Other comprehensive income/(loss) for the period	10,187	(17,729)
	Total comprehensive income for the period	52,330	30,907
	Profit/(loss) for the period attributable to:		
	— Owners of the Company	42,143	48,699
	— Non-controlling interests	—	(63)
		42,143	48,636
	Total comprehensive income attributable to:		
	— Owners of the Company	52,330	30,757
	— Non-controlling interests	—	150
		52,330	30,907
	Earnings per share attributable to owners of the Company for the period		
	For continuing and discontinued operations		
	— Basic and diluted	9 HK 2.90 cents	HK 5.26 cents
	For continuing operations		
	— Basic and diluted	9 HK 2.90 cents	HK 5.26 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2015

	Notes	As at 30 September 2015 (Unaudited) HK\$'000	As at 31 March 2015 (Audited) HK\$'000
Non-current assets			
Property, plant and equipment	11	5,486	6,042
Property under development		62,002	48,585
Prepaid lease payments	12	34,158	35,269
Interest in an associate	13	412,995	285,842
Available-for-sale financial assets		203,612	127,836
		718,253	503,574
Current assets			
Stock of properties	14	466,266	702,569
Inventories	15	218	167
Trade receivables	16	20	22
Prepayments, deposits and other receivables		93,462	172,089
Financial assets at fair value through profit or loss		117,883	154,512
Time deposits		216,339	121,436
Cash and bank balances		566,816	402,631
		1,461,004	1,553,426
Assets classified as held for sale	17	—	177,131
		1,461,004	1,730,557
Less: Current liabilities			
Trade payables	18	156	174
Deposits received, accruals and other payables		260,821	291,611
Receipts in advance		14,474	387,309
Tax payable		80,759	50,787
Interest-bearing bank loans	19	167,160	145,911
		523,370	875,792
Liabilities directly associated with assets classified as held for sale	17	—	58,863
		523,370	934,655
Net current assets		937,634	795,902
Total assets less current liabilities		1,655,887	1,299,476

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

At 30 September 2015

		As at 30 September 2015 (Unaudited) HK\$'000	As at 31 March 2015 (Audited) HK\$'000
	<i>Notes</i>		
Less: Non-current liabilities			
Interest-bearing bank loans	19	158,743	202,294
		158,743	202,294
Net assets		1,497,144	1,097,182
Capital and reserves			
Share capital	20	46,443	11,070
Reserves		1,450,701	1,044,696
Equity attributable to owners of the Company		1,497,144	1,055,766
Non-controlling interests		—	41,416
Total equity		1,497,144	1,097,182

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2015

	Attributable to equity holders of the Company										
	Share capital	Share premium	Contributed surplus	Exchange fluctuation reserve	Other reserve (note i)	Revaluation reserve	Statutory reserve fund (note ii)	Retained profits	Attributable to owners of the Company	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2014 (audited)	92,295	631,004	—	107,244	(4,240)	—	6,144	65,110	897,557	41,481	939,038
Profit/(loss) for the period	—	—	—	—	—	—	—	48,699	48,699	(63)	48,636
Other comprehensive (loss)/income for the period	—	—	—	(17,942)	—	—	—	—	(17,942)	213	(17,729)
Total comprehensive (loss)/income for the period	—	—	—	(17,942)	—	—	—	48,699	30,757	150	30,907
Dividend paid	—	—	—	—	—	—	—	(9,230)	(9,230)	—	(9,230)
Share premium cancellation	—	(631,004)	631,004	—	—	—	—	—	—	—	—
Capital reorganization	(83,065)	—	83,065	—	—	—	—	—	—	—	—
Placing of shares	1,840	57,960	—	—	—	—	—	—	59,800	—	59,800
Expenses incurred in connection with the placing of shares	—	(1,967)	—	—	—	—	—	—	(1,967)	—	(1,967)
Transfer to statutory reserve	—	—	—	—	—	—	725	(725)	—	—	—
At 30 September 2014 (unaudited)	11,070	55,993	714,069	89,302	(4,240)	—	6,869	103,854	976,917	41,631	1,018,548
At 1 April 2015 (audited)	11,070	55,909	714,069	90,036	(4,240)	(18,565)	16,986	190,501	1,055,766	41,416	1,097,182
Profit for the period	—	—	—	—	—	—	—	42,143	42,143	—	42,143
Other comprehensive (loss)/income for the period	—	—	—	(5,599)	—	15,786	—	—	10,187	—	10,187
Total comprehensive (loss)/income for the period	—	—	—	(5,599)	—	15,786	—	42,143	52,330	—	52,330
Placing of shares (note iii)	2,200	47,300	—	—	—	—	—	—	49,500	—	49,500
Rights issue shares (note iv)	33,173	315,151	—	—	—	—	—	—	348,324	—	348,324
Expenses incurred in connection with the placing of shares	—	(1,292)	—	—	—	—	—	—	(1,292)	—	(1,292)
Expenses incurred in connection with the rights issue shares	—	(7,792)	—	—	—	—	—	—	(7,792)	—	(7,792)
Disposal of subsidiaries (note 21)	—	—	—	308	—	—	—	—	308	(41,416)	(41,108)
Transfer to statutory reserve	—	—	—	—	—	—	10,813	(10,813)	—	—	—
At 30 September 2015 (unaudited)	46,443	409,276	714,069	84,745	(4,240)	(2,779)	27,799	221,831	1,497,144	—	1,497,144

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Continued)

For the six months ended 30 September 2015

note:

- (i) Other reserve represents the share of the changes in the associate's ownership interests in its subsidiaries that do not result in loss of control.
- (ii) According to the relevant People's Republic of China (the "PRC") regulations applicable to the PRC group companies are foreign investment enterprises, each of these subsidiaries is required to allocate a certain portion (not less than 10%) of its profit after tax, as determined in accordance with the PRC Accounting Regulations, to the statutory reserve fund until such reserve reaches 50% of its registered capital.
- (iii) On 14 April 2015, the Company entered into a placing agreement with the placing agent to place a total of 220,000,000 shares of HK\$0.225 per share. The placing of shares was completed on 30 April 2015.
- (iv) On 28 May 2015, the Company entered into an underwriting agreement with the underwriter to issue 3,317,375,000 rights shares of HK\$0.168 per rights share, on the basis of five rights shares for every two existing shares held at 4:00pm on 23 July 2015. On 10 July 2015, the Company entered into a supplemental agreement to the underwriting agreement with the underwriter to change the subscription price to HK\$0.105 per rights share. Upon satisfaction of the conditions of the rights issues, 3,317,375,000 rights shares were issued on 22 September 2015.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2015

	For the six months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Net cash generated from operating activities	185,265	417,446
Investing activities		
Interest received	25,258	16,992
Dividend paid	—	(9,230)
Investment in an associate	(145,788)	—
Property under development paid	(96,782)	(261,151)
Net cash inflow from disposal of subsidiaries	6,604	—
Purchase of available-for-sale financial assets	(59,685)	—
Other investing activities	(15,571)	(823)
Net cash used in investing activities	(285,964)	(254,212)
Financing activities		
Interest paid	(11,751)	(33,711)
Interest-bearing bank loans	22,528	93,075
Repayment of interest-bearing bank loans	(37,432)	(1,262)
Repayment of interest-bearing loans	—	(107,640)
Placing of shares	48,208	57,833
Rights issue	340,532	—
Net cash generated from financing activities	362,085	8,295
Net increase in cash and cash equivalents	261,386	171,529
Cash and cash equivalents at the beginning of the period	524,163	564,891
Effects of exchange rate changes on the balance of cash held in foreign currencies	(2,394)	4,920
Cash and cash equivalents at the end of the period	783,155	741,340
Analysis of the balances of cash and cash equivalents		
Cash and bank balances	566,816	185,564
Time deposits	216,339	555,609
	783,155	741,173
Cash and bank balances in assets classified as held for sale	—	167
	783,155	741,340

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) 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 unaudited condensed consolidated interim financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 March 2015, which has been prepared in accordance with Hong Kong Financial Reporting Standards (the “**HKFRSs**”).

The preparation of the unaudited condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these unaudited condensed consolidated interim financial statements, the significant judgments made by management in applying the Group’s accounting policies and the key sources of estimate uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2015.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Application of new and revised HKFRSs

The unaudited condensed consolidated interim financial statements have been prepared under the historical cost basis except for financial assets at fair value through profit or loss and available-for-sale financial assets, which are measured at fair values. In the current interim period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations (the “**new and revised HKFRSs**”) issued by the HKICPA, which are effective for the Group’s financial year beginning on 1 April 2015.

HKAS 19 (Amendments)	Defined Benefits Plans: Employee Contributions
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle

The application of the above new and revised HKFRSs has had no material effect on the Group’s results and financial position for the current or prior periods that have been prepared or presented.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(Continued)*

Application of new and revised HKFRSs (Continued)

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments ¹
HKFRS 14	Regulatory Deferral Accounts ²
HKFRS 15	Revenue from Contracts with Customers ¹
HKFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations ³
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidated Exception ³
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation ³
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants ³
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements ³
HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
HKAS 1 (Amendments)	Disclosure Initiative ³
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012-2014 Cycle ³

¹ Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted

² Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with earlier application permitted

³ Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted

The Group is in the process of assessing the potential impact of the above new HKFRSs upon initial application but is not yet in a position to state whether the above new HKFRSs will have a significant impact on the Group's and the Company's results of operations and financial position.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

3. SEGMENT INFORMATION

The following is an analysis of the Group's revenue and contribution to operating results by operating segments for the six months ended 30 September 2015 and 2014, respectively:

2015

	Property development operation (Unaudited) HK\$'000	Sales of fresh pork and related produce operation (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Segment revenue:			
External revenue	559,666	41,063	600,729
Segment results	147,345	1,064	148,409
Unallocated interest income and gains			9,917
Corporate and other unallocated expenses			(7,074)
Net loss on financial assets at fair value through profit or loss			(53,555)
Share of results of an associate			39,734
Loss on deemed disposal of interest in an associate			(58,765)
Finance costs			(6,036)
Profit before taxation			72,630

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

3. SEGMENT INFORMATION *(Continued)*

2014

	Property development operation (Unaudited) HK\$'000	Sales of fresh pork and related produce operation (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Segment revenue:			
External revenue	422,189	32,495	454,684
Segment results	118,388	2,431	120,819
Unallocated interest income and gains			12,705
Corporate and other unallocated expenses			(6,893)
Net gain on financial assets at fair value through profit or loss			20,361
Share of results of an associate			4,586
Loss on deemed disposal of interest in an associate			(56,083)
Finance costs			(13,461)
Profit before taxation			82,034

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the period (six months ended 30 September 2014: Nil).

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

4. TURNOVER AND OTHER REVENUE

Turnover represents the net invoiced value of fresh pork and related produce and stock of properties sold, after allowances for returns and trade discounts. All significant intra-group transactions have been eliminated on consolidation.

An analysis of the Group's turnover and other revenue is as follows:

	For the six months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Continuing operations		
Turnover:		
Sales of stock of properties	559,666	422,189
Sales of fresh pork and related produce	41,063	32,495
	600,729	454,684
	600,729	454,684
Other revenue:		
Interest income on bank deposits	1,228	1,592
Dividend income on listed securities	1,976	688
Interest income on an interest-bearing loan to an associate	—	11,030
Interest income on unlisted bonds	7,821	—
Sundry income	1,365	1,934
	12,390	15,244
	12,390	15,244

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

5. FINANCE COSTS

	For the six months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Continuing operations		
Interest on interest-bearing loans wholly repayable within five years	—	3,303
Interest on interest-bearing loans from an immediate holding company wholly repayable within five years	—	9,973
Interest on interest-bearing bank loans wholly repayable within five years	11,751	5,610
	11,751	18,886
Less: Amounts capitalised on the cost of property under developments	(5,715)	(5,425)
	6,036	13,461

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

6. PROFIT BEFORE TAXATION

	For the six months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Profit before taxation from continuing operations is stated at after charging/(crediting):		
Cost of inventories sold	25,224	18,323
Cost of completed properties sold	315,940	202,615
Business taxes and other levies	60,177	62,426
Depreciation of owned property, plant and equipment	1,071	940
Minimum lease payments under operating leases for land and buildings	7,187	5,100
Exchange loss/(gain)	271	(860)
Net loss/(gain) on financial assets at fair value through profit or loss	53,555	(20,361)

7. TAXATION

	For the six months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Continuing operations		
Current taxation — Hong Kong	175	376
Current taxation — Mainland China	30,452	32,893
Total tax charge for the period	30,627	33,269

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the current and prior periods.

Subsidiaries in mainland China are subject to the PRC corporate income tax of the PRC at the rate of 25% on the estimated assessable profits arising in mainland China during the current and prior periods.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

8. DISCONTINUED OPERATION

On 19 September 2013, an indirect wholly-owned subsidiary of the Company entered into a sale agreement to, inter alia, dispose its 51% interest in Skywalker Global Resources Company Limited (“**Skywalker**”) which held all of the Group’s forestry and logging project. Pursuant to the agreement, the purchaser has agreed to acquire 1,428,000 shares of HK\$1.00 each in the issued share capital of Skywalker, representing 51% of the issued share capital of Skywalker; and the shareholder’s loan for a consideration of HK\$62,000,000. The disposal was completed on 17 April 2015 (Note 21).

The results of the discontinued operation included in the consolidated statement of profit or loss and other comprehensive income for the periods are set out below:

	For the six months ended 30 September	
	2015 (Unaudited) HK\$’000	2014 (Unaudited) HK\$’000
<i>Profit/(loss) for the period from discontinued operation</i>		
Administrative expenses	—	(129)
Gain on disposal of subsidiaries (Note 21)	140	—
	<hr/>	<hr/>
Profit/(loss) before taxation	140	(129)
Taxation	—	—
	<hr/>	<hr/>
Profit/(loss) for the period from discontinued operation	140	(129)
	<hr/> <hr/>	<hr/> <hr/>
Profit/(loss) for the period attributable to:		
Owners of the Company	140	(66)
Non-controlling interest	—	(63)
	<hr/>	<hr/>
	140	(129)
	<hr/> <hr/>	<hr/> <hr/>
<i>Profit/(loss) for the period from discontinued operation include the followings:</i>		
Depreciation of property, plant and equipment	—	36
	<hr/> <hr/>	<hr/> <hr/>
<i>Cashflows from discontinued operation</i>		
Net cash outflow from operating activities	—	(37)
	<hr/>	<hr/>
	—	(37)
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

9. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY FOR THE PERIOD

From continuing and discontinued operations

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

	For the six months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
<i>Profit</i>		
Profit for the purpose of basic earnings per share (profit for the period attributable to owners of the Company)	42,143	48,699
	'000	'000
<i>Number of shares</i>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,454,034	926,415

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

9. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY FOR THE PERIOD *(Continued)*

From continuing operations

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

	For the six months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Profit		
Profit for the period attributable to owners of the Company	42,143	48,699
Add: (Profit)/Loss for the period from discontinued operation attributable to the owners of the Company	(140)	66
	42,003	48,765
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,454,034	926,415

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

Diluted earnings per share for the periods ended 30 September 2015 and 2014 were the same as the basic earnings per share from continuing and discontinued operations and from continuing operations. There was no dilutive event existed during both periods.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

10. DIVIDEND

The Directors do not recommend the payment of interim dividend in respect of the six months ended 30 September 2015. (2014: Nil)

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2015, the Group had acquired property, plant and equipment amounting approximately to HK\$621,000 (for the six months ended 30 September 2014: approximately HK\$2,167,000).

During the six months ended 30 September 2015, the Group had no disposed property, plant and equipment (for the six months ended 30 September 2014: HK\$287,000).

12. PREPAID LEASE PAYMENTS

	The Group HK\$'000
Cost	
At 31 March 2015 and 1 April 2015	39,332
Exchange realignment	(930)
	<hr/>
At 30 September 2015	38,402
	<hr/>
Accumulated amortisation and impairment	
At 31 March 2015 and 1 April 2015	3,489
Charge for the period	279
Exchange realignment	(82)
	<hr/>
At 30 September 2015	3,686
	<hr/>
Net book value	
At 30 September 2015 (Unaudited)	34,716
	<hr/> <hr/>
At 31 March 2015 (Audited)	35,843
	<hr/> <hr/>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

12. PREPAID LEASE PAYMENTS *(Continued)*

The prepaid lease payments comprise of leasehold lands situated in the PRC held under long-term leases.

Amortisation expense on prepaid lease payments of approximately HK\$279,000 (for the six months ended 30 September 2014: approximately HK\$575,000) has been capitalised to properties under development for the period.

As at 30 September 2015, prepaid lease payment was pledged for interest-bearing bank loans of approximately HK\$142,700,000 (31 March 2015: approximately HK\$184,100,000) (Note 26).

Analysed for reporting purposes as:

	As at 30 September 2015 (Unaudited) HK\$'000	As at 31 March 2015 (Audited) HK\$'000
Current assets (included in prepayments, deposits and other receivables)	558	574
Non-current assets	34,158	35,269
	34,716	35,843

13. INTEREST IN AN ASSOCIATE

	As at 30 September 2015 (Unaudited) HK\$'000	As at 31 March 2015 (Audited) HK\$'000
Cost of investment in an associate — listed in Hong Kong	424,644	278,856
Share of net assets	412,995	285,842

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

13. INTEREST IN AN ASSOCIATE (Continued)

In January 2015, an associate of the Group, China Agri-Products Exchange Limited (“CAP”) proposed a rights issue on the basis of eight CAP rights shares of every one CAP adjusted share after the capital reorganization of CAP. On 14 May 2015, the Group had subscribed for 346,192,728 CAP rights shares to which it was entitled pursuant to the terms and; by way of excess application, subscribed for 139,766,537 rights shares. As a result, the Group’s shareholding interest in CAP was increased from approximately 20.08% to 27.28%.

On 27 July 2015, CAP completed the placing of a total of 387,000,000 shares at HK\$0.245 per share. As a result, the Group’s shareholding interest in CAP was diluted from approximately 27.28% to 22.75%.

Details of the Group’s associate which is held indirectly by the Company at 30 September 2015 and 31 March 2015 are as follows:

Name of associate	Form of entity	Place of incorporation	Principal place of operation	Class of shares held	Proportion of nominal value of issued share capital held	Proportion of voting power held	Principal activities
CAP	Limited company	Bermuda	HK and the PRC	Ordinary	22.75% (31 March 2015: 20.08%)	22.75% (31 March 2015: 20.08%)	Agricultural produce exchange market management and property sales

For the purpose of applying the equity method of accounting for the current period, the unaudited condensed consolidated financial statements of CAP for the six months ended 30 June 2015 have been used.

14. STOCK OF PROPERTIES

	As at 30 September 2015 (Unaudited) HK\$'000	As at 31 March 2015 (Audited) HK\$'000
Completed properties	466,266	453,253
Properties under development	—	249,316
	466,266	702,569

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

15. INVENTORIES

	As at 30 September 2015 (Unaudited) HK\$'000	As at 31 March 2015 (Audited) HK\$'000
Fresh pork and related produce	218	167

16. TRADE RECEIVABLES

The Group's trading terms with its customers are mainly on credit. The credit terms are generally for a period of 30 days (31 March 2015: 30 days) for sales of fresh pork and related produce operation segment. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. No trade receivable is past due as at the reporting date. The Group does not hold any collateral over these balances.

	As at 30 September 2015 (Unaudited) HK\$'000	As at 31 March 2015 (Audited) HK\$'000
Trade receivables	56	58
Less: Impairment loss	(36)	(36)
	20	22

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

	As at 30 September 2015 (Unaudited) HK\$'000	As at 31 March 2015 (Audited) HK\$'000
Within 30 days	20	22

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

16. TRADE RECEIVABLES *(Continued)*

Movements of impairment loss on trade receivables:

	As at 30 September 2015 (Unaudited) HK\$'000	As at 31 March 2015 (Audited) HK\$'000
At the beginning of the period	36	36
Impairment loss reversed	—	—
	<hr/>	<hr/>
At the end of the period	36	36
	<hr/> <hr/>	<hr/> <hr/>

As at 30 September 2015, the Group's trade receivables of approximately HK\$36,000 (31 March 2015: approximately HK\$36,000) were individually determined to be impaired. The individual impaired receivables related to customers that were in financial difficulties and directors assessed that the receivables were not expected to be recovered.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

17. ASSETS CLASSIFIED AS HELD FOR SALE

As described in Note 8 to the condensed consolidated financial statements, the Group has entered into a sale agreement to disposal of the entire shares in a subsidiary, Skywalker and its subsidiaries (collectively referred to as “**Skywalker Group**”) and was completed on 17 April 2015. The assets and liabilities of Skywalker Group at the end of the reporting period are as follows:

	As at 31 March 2015 (Audited) HK\$'000
Property, plant and equipment	705
Plantation assets	163,561
Concession rights	4,924
Prepayments, deposits and other receivables	7,845
Cash and bank balances	96
	<hr/>
Assets classified as held for sale	177,131
	<hr/>
Deposits received, accruals and other payables	5,876
Deferred taxation	52,987
	<hr/>
Liabilities directly associated with assets as held for sale	58,863
	<hr/>
	118,268
	<hr/> <hr/>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

18. TRADE PAYABLES

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

	As at 30 September 2015 (Unaudited) HK\$'000	As at 31 March 2015 (Audited) HK\$'000
Within 30 days	156	174

The credit terms generally for a period of 30 days.

19. INTEREST-BEARING BANK LOANS

	As at 30 September 2015 (Unaudited) HK\$'000	As at 31 March 2015 (Audited) HK\$'000
Carrying amount repayable:		
On demand or within one year	167,160	145,911
More than one year, but not exceeding two years	158,743	202,294
	325,903	348,205
Interest-bearing bank loans at:		
Floating interest rate	325,903	348,205

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

19. INTEREST-BEARING BANK LOANS *(Continued)*

The ranges of effective interest rates (which equal to contracted interest rates) on the Group's borrowings are as follows:

	As at 30 September 2015 (Unaudited) HK\$'000	As at 31 March 2015 (Audited) HK\$'000
Floating interest rate loans	3.9%-7.2%	3.9%-8.0%

The bank loans denominated in RMB bear interest at the prevailing market rates quoted by the People's Bank of China. The loans of approximately HK\$272,925,000 (31 March 2015: approximately HK\$295,227,000) are secured by pledge of the Group's prepaid lease payments and completed properties of approximately HK\$35,329,000 and approximately HK\$275,540,000 respectively (31 March 2015: prepaid lease payments and completed properties of approximately HK\$84,490,000 and HK\$281,280,000 respectively). The loans of approximately HK\$272,925,000 are secured by corporate guarantees from subsidiaries of the Group and the Company (31 March 2015: approximately HK\$295,227,000 are secured by corporate guarantee from the Company).

The bank loan denominated in Hong Kong dollars is at the prevailing market rates reference to HIBOR+3.75%. As at 30 September 2015, the loan of approximately HK\$52,978,000 (31 March 2015: approximately HK\$52,978,000) is secured by pledge of the Group's completed properties of approximately HK\$275,540,000 (31 March 2015: approximately HK\$281,280,000) and mortgage over shares of a wholly-owned subsidiary of the Company. The loan is secured by corporate guarantees from a subsidiary of the Group and the Company.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

20. SHARE CAPITAL

	Number of shares '000	Share capital HK\$'000
Authorised:		
At 31 March 2015 and 1 April 2015 ordinary shares of HK\$0.01 each (audited)	20,000,000	200,000
	<u>20,000,000</u>	<u>200,000</u>
At 30 September 2015, ordinary shares of HK\$0.01 each (unaudited)	20,000,000	200,000
	<u>20,000,000</u>	<u>200,000</u>
Issued and fully paid:		
At 31 March 2015 and 1 April 2015 ordinary shares of HK\$0.01 each (audited)	1,106,950	11,070
Placing of shares	220,000	2,200
Rights issue	3,317,375	33,173
	<u>4,644,325</u>	<u>46,443</u>
At 30 September 2015, ordinary shares of HK\$0.01 each (unaudited)	4,644,325	46,443
	<u>4,644,325</u>	<u>46,443</u>

Share option scheme

Details of the Company's share option scheme are set out in the section "Share Option Scheme" on page 11 of the interim report.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

21. DISPOSAL OF SUBSIDIARIES

As described in Note 8 to the condensed consolidated financial statements, the Group has entered into a sale agreement to dispose of Skywalker Group and was completed on 17 April 2015.

Summary of the effects of the disposal of Skywalker Group are as follows:

	HK\$'000
<i>Net assets disposal of:</i>	
Property, plant and equipment	705
Plantation assets	163,561
Concession rights	4,924
Prepayment, deposits and other receivables	7,845
Cash and bank balances	96
Deposits received, accruals and other payables	(5,876)
Deferred taxation	(52,987)
	<u>118,268</u>
Non-controlling interests	(41,416)
Release of exchange reserve	308
	<u>77,160</u>
Net assets disposed of	<u><u>77,160</u></u>
Consideration received in cash and cash equivalents	62,000
Waiver of consideration payable by the Group in relation to the sale and purchase agreement to acquire Skywalker's shares in 2009	15,300
Net assets disposed of	<u>(77,160)</u>
Gain on disposal	<u><u>140</u></u>
<i>Net cash inflow arising on disposal:</i>	
Cash consideration	62,000
Less: Cash and cash equivalents disposed of	(96)
	<u><u>61,904</u></u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

22. OPERATING LEASE ARRANGEMENTS

As lessee

The Group leases certain of its office premises and pork stalls under operating lease arrangements which are negotiated for lease terms of from one to three years.

At 30 September 2015, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	As at 30 September 2015 (Unaudited) HK\$'000	As at 31 March 2015 (Audited) HK\$'000
Within one year	12,314	6,357
In the second to fifth years, inclusive	14,200	2,133
	26,514	8,490

23. MATERIAL RELATED PARTY TRANSACTIONS

During the period, the Group had entered into the following transactions with related parties which, in the opinion of the Directors, were carried out in the ordinary course of the Group's business.

	For the six months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Rental paid by the Group to Wai Yuen Tong Medicine Holdings Limited ("WYT") and its subsidiaries	350	318
Interest on loans to an immediate holding company	—	9,973
Interest on loans from an associate	—	11,030
Interest on bonds from an associate	7,516	—

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

23. MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

Key management personnel compensation

Remuneration for key management personnel, including amounts paid to the Company's Directors during the period is as follows:

	For the six months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Salaries and other short-term employee benefits	1,065	1,421
Employer contribution to pension scheme	13	12
	1,078	1,433

24. FAIR VALUE HIERARCHY

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

- Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

24. FAIR VALUE HIERARCHY (Continued)

Assets measured at fair value:

The Group

As at 30 September 2015

	Level 1 (Unaudited) HK\$'000	Level 2 (Unaudited) HK\$'000	Level 3 (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Financial assets at fair value through profit or loss	117,883	—	—	117,883
Available-for-sale financial assets	65,844	—	137,768	203,612
	<u>183,727</u>	<u>—</u>	<u>137,768</u>	<u>321,495</u>

As at 31 March 2015

	Level 1 (Audited) HK\$'000	Level 2 (Audited) HK\$'000	Level 3 (Audited) HK\$'000	Total (Audited) HK\$'000
Financial assets at fair value through profit or loss	154,512	—	—	154,512
Available-for-sale finance assets	—	—	127,836	127,836
	<u>154,512</u>	<u>—</u>	<u>127,836</u>	<u>282,348</u>

During the period ended 30 September 2015, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (six months ended 30 September 2014: Nil).

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

25. CAPITAL COMMITMENT

At 30 September 2015, the Group had the following capital commitments:

	As at 30 September 2015 (Unaudited) HK\$'000	As at 31 March 2015 (Audited) HK\$'000
Contracted but not provided for:		
Additions of properties under development	73,062	154,959
Additions of construction in progress	—	31,131
	73,062	186,090

26. PLEDGED OF ASSETS

Assets with the following carrying amount have been pledged to secure interest-bearing bank loans of the Group are as follows:

	As at 30 September 2015 (Unaudited) HK\$'000	As at 31 March 2015 (Audited) HK\$'000
Prepaid lease payment	35,328	84,490
Properties under development	275,540	281,280
	310,868	365,770

As at 31 March 2015, shares of a subsidiary of the Company have been pledged to secure an interest-bearing bank loan.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

27. CONTINGENT LIABILITIES

The Group and the Company have no material contingent liabilities as at 30 September 2015 and 31 March 2015.

28. EVENTS AFTER THE REPORTING PERIOD

- (i) On 5 October 2015, the Group and CAP agreed to terminate the agreements for the subscription of convertible notes and shares of CAP. On the same day, a wholly-owned subsidiary of the Company entered into a loan agreement to grant a loan facility of HK\$100,000,000 to CAP at an interest rate of 12% per annum with three years maturity.
- (ii) On 30 October 2015, a wholly-owned subsidiary of the Company has granted the irrevocable undertaking in favour of CAP under which it agreed to subscribe, for 158,770,006 CAP rights shares and to apply by way of excess application, for 70,000,000 CAP rights shares at the subscription price of HK\$0.42 per rights share, on the basis of three CAP rights shares for every two CAP adjusted shares. Upon completion of the CAP rights issue, the interest in an associate of the Group will increase from approximately 22.75% to not more than approximately 28.76%.

29. APPROVAL OF THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENT

The unaudited condensed consolidated financial statements were approved by the Board on 19 November 2015.