



萬隆控股集團有限公司
Ban Loong Holdings Limited

(Incorporated in Bermuda with limited liability)
(Stock Code: 30)

2016/2017
Interim Report

CORPORATION INFORMATION

BOARD OF DIRECTORS:

Executive Directors:

Mr. Chow Wang (*Chairman*)

Mr. Cheung Wai Shing

Non-executive Director:

Mr. Fong For

Independent non-executive Directors:

Mr. Jiang Zhi

Mr. Leung Ka Kui, Johnny

Ms. Wong Chui San, Susan

COMMITTEES

Audit Committee:

Ms. Wong Chui San, Susan (*Chairman*)

Mr. Leung Ka Kui, Johnny

Mr. Jiang Zhi

Remuneration Committee:

Mr. Leung Ka Kui, Johnny (*Chairman*)

Ms. Wong Chui San, Susan

Mr. Jiang Zhi

Mr. Chow Wang

Mr. Cheung Wai Shing

Nomination Committee:

Mr. Chow Wang (*Chairman*)

Mr. Leung Ka Kui, Johnny

Ms. Wong Chui San, Susan

Mr. Jiang Zhi

Mr. Cheung Wai Shing

COMPANY SECRETARY

Mr. Cheung Wai Shing

AUTHORIZED REPRESENTATIVES

Mr. Chow Wang

Mr. Cheung Wai Shing

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS

Room 2709-10, 27/F.

China Resources Building

No.26 Harbour Road

Wanchai, Hong Kong

AUDITORS

SHINEWING (HK) CPA Limited

REGISTRARS

Computershare Hong Kong Investor
Services Limited

18th Floor, Hopewell Centre,

183 Queen's Road East, Hong Kong

SOLICITORS

Cheung & Choy Solicitors & Notaries

HOME PAGE

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The board of directors (the “Board”) of Ban Loong Holdings Limited (the “Company”) is pleased to present the unaudited interim results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 September 2016, together with selected explanatory notes and comparative figures for the corresponding period in last year as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2016

	Notes	Six months ended 30 September	
		2016 HK\$ (Unaudited)	2015 HK\$ (Unaudited and restated)
Continuing operations			
Revenue	4	120,811,696	30,412,985
Cost of sales		(100,054,468)	(21,592,054)
Gross profit		20,757,228	8,820,931
Other income and gain		181,389	508,881
Increase in fair value of held for trading investment		–	3,172
Selling and distribution expenses		(932,298)	(913,187)
General and administrative expenses		(20,488,250)	(22,338,220)
Finance costs	5	(2,333,149)	(2,325,000)
Loss before tax	6	(2,815,080)	(16,243,423)
Income tax expenses	7	(1,815,199)	(530,817)
Loss for the period from continuing operations		(4,630,279)	(16,774,240)
Discontinued operation			
Loss for the period from discontinued operation	8	–	(5,369,495)
Loss for the period		(4,630,279)	(22,143,735)
Other comprehensive loss for the period			
<i>Other comprehensive loss to be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences arising on translation of foreign operations		(9,682,031)	(14,036,729)
Total comprehensive loss for the period		(14,312,310)	(36,180,464)

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

For the six months ended 30 September 2016

	Six months ended 30 September	
Note	2016 HK\$	2015 HK\$ (Unaudited and restated)
	(Unaudited)	
Loss for the period attributable to owners of the Company		
– from continuing operations	(4,578,740)	(16,247,264)
– from discontinued operation	–	(3,221,697)
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Loss for the period attributable to owners of the Company	(4,578,740)	(19,468,961)
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Loss for the period attributable to non-controlling interests		
– from continuing operations	(51,539)	(526,976)
– from discontinued operation	–	(2,147,798)
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Loss for the period attributable to non-controlling interests	(51,539)	(2,674,774)
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	(4,630,279)	(22,143,735)
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Total comprehensive loss for the period attributable to:		
Owners of the Company	(10,830,674)	(28,648,056)
Non-controlling interests	(3,481,636)	(7,532,408)
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	(14,312,310)	(36,180,464)
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Loss per share	9	
From continuing and discontinued operations		
– Basic and diluted	(0.18) HK cents	(0.98) HK cents
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From continuing operations		
– Basic and diluted	(0.18) HK cents	(0.82) HK cents
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2016

	<i>Notes</i>	30 September 2016 HK\$ (Unaudited)	31 March 2016 HK\$ (Audited)
Non-current assets			
Property, plant and equipment	11	60,211,952	63,531,515
Prepaid lease payments		1,159,739	1,251,386
Intangible assets	12	295,033,200	305,080,785
Prepayments for exploration and evaluation activities		8,245,421	8,526,297
Deferred tax asset		105,940	64,157
		364,756,252	378,454,140
Current assets			
Trade receivables	13	69,611,946	1,931,763
Loan and interest receivables	14	148,698,311	122,469,877
Other receivables, deposits and prepayments	15	4,016,328	34,556,312
Derivative component of convertible bonds	18	–	3,779,263
Bank balances and cash		22,561,651	62,712,761
		244,888,236	225,449,976
Current liabilities			
Trade and other payables	16	22,470,866	15,027,578
Advance subscriptions and licence fees received		2,025,426	1,952,611
Amount due to a non-controlling shareholder of a subsidiary		4,375,651	4,375,651
Tax payable		4,834,785	3,069,584
		33,706,728	24,425,424

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

At 30 September 2016

	Notes	30 September 2016 HK\$ (Unaudited)	31 March 2016 HK\$ (Audited)
Net current assets		211,181,508	201,024,552
Total assets less current liabilities		575,937,760	579,478,692
Non-current liabilities			
Provision for reinstatement costs		732,375	757,323
Bonds	17	66,429,000	66,029,000
Convertible bonds	18	–	5,306,546
Deferred tax liabilities		71,030,938	73,438,582
		138,192,313	145,531,451
Net assets		437,745,447	433,947,241
Capital and reserves			
Share capital	19	26,706,632	24,305,532
Reserves		306,739,323	301,860,581
Equity attributable to owners of the Company		333,445,955	326,166,113
Non-controlling interests		104,299,492	107,781,128
Total equity		437,745,447	433,947,241

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

For the six months ended 30 September 2016

	Attributable to owners of the Company								
	Share capital	Share premium	Capital redemption reserve	Convertible bonds equity reserve	Exchange reserve	Accumulated losses	Sub-total	Non-controlling interests	Total
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
At 1 April 2015 (audited)	19,864,152	381,591,395	176,000	-	11,764,157	(116,607,623)	296,788,081	126,426,145	423,213,226
Loss for the period	-	-	-	-	-	(19,468,961)	(19,468,961)	(2,674,774)	(22,143,735)
Other comprehensive loss for the period	-	-	-	-	(9,179,095)	-	(9,179,095)	(4,857,634)	(14,036,729)
Total comprehensive loss for the period	-	-	-	-	(9,179,095)	(19,468,961)	(28,648,056)	(7,532,408)	(36,180,464)
Issue of shares on placing (note 19)	2,141,380	38,330,702	-	-	-	-	40,472,082	-	40,472,082
Transaction cost attributable to issue of shares on placing	-	(407,853)	-	-	-	-	(407,853)	-	(407,853)
At 30 September 2015 (unaudited)	22,005,532	419,514,244	176,000	-	2,585,062	(136,076,584)	308,204,254	118,892,737	427,096,991

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2016

	Six months ended 30 September	
	2016 HK\$ (Unaudited)	2015 HK\$ (Unaudited)
Cash flows from operating activities		
Net cash used in operating activities	(75,963,336)	(16,027,938)
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	129,440	–
Repayment of loan to an independent third party	20,407,952	–
Deposit received from the disposal of available-for-sale investment	–	30,000,000
Purchase of property, plant and equipment	(635,380)	(3,571,258)
Deposit paid for the acquisition of subsidiaries	–	(29,719,394)
Bank interests received	181,389	176,601
Net cash from (used in) investing activities	20,083,401	(3,114,051)
Cash flows from financing activities		
Proceeds from placing of shares	17,109,900	40,472,082
Expenses paid for placing of shares	(513,117)	(407,853)
Repayment of loan from an independent third party	–	(1,942,460)
Advance from the non-controlling shareholder of a subsidiary	–	1,886,040
Interest paid	(21,699)	(1,925,000)
Net cash from financing activities	16,575,084	38,082,809
Net (decrease) increase in cash and cash equivalents	(39,304,851)	18,940,820
Cash and cash equivalents at the beginning of the financial reporting period	62,712,761	97,858,042
Net foreign exchange difference	(846,259)	(904,562)
Cash and cash equivalents at the end of the financial reporting period, representing bank balances and cash	22,561,651	115,894,300

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

The principal activity of the Company is investment holding. The Company’s subsidiaries (together with the Company collectively referred to as the “Group”) are principally engaged in providing financial quotation services, wireless applications development, mining operations, money lending and trading of goods and commodities. The Group was also engaged in the development of encryption technology and products which were discontinued from 24 March 2016 (see note 8).

These condensed consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is the functional currency of the Company.

2. BASIS OF PREPARATION

These condensed consolidated financial statements for the six months ended 30 September 2016 have been prepared in accordance with the applicable disclosure provision of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange and with Hong Kong Accounting Standards (“HKAS”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for derivative component of convertible bonds which was measured at fair value.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 March 2016 except as described below.

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

In the current interim period, the Group has applied, for the first time, the following new amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA which are effective for the Group's financial year beginning 1 April 2016:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations

The application of the above new amendments to HKFRSs in the current interim period has had no material effect on the Group's financial performance and positions for the current interim period and prior year and/or on the disclosures set out in these condensed consolidated financial statements.

The Group has not applied any new or revised HKFRSs that are not yet effective for the current interim period.

4. REVENUE AND SEGMENT INFORMATION

Information reported to the directors of the Company, being the chief operating decision maker (the "CODM"), for the purpose of resources allocation and assessment of segment performance focus on types of goods or services delivered or provided. The CODM has chosen to organise the Group around differences in product and services. No operating segments identified by CODM have been aggregate in arriving at the operating segments of the Group.

Specifically, the Group's reporting and operating segments under HKFRS 8 are as follows:

- (i) Financial quotation services segment engages in the provision of financial quotation services and wireless applications development;
- (ii) Mining operations segment engages in sale of mineral products and leasing of mining right, exploration rights and related assets;
- (iii) Money lending segment engages in the provision of financing services; and
- (iv) Trading of goods segment engages in trading of goods and commodities.

The Group's encryption technology and products segment was discontinued from 24 March 2016. The segment information reported on the next pages does not include any amounts for this discontinued operation, which are described in more details in note 8.

4. REVENUE AND SEGMENT INFORMATION *(continued)*

Segments revenue and results

The following tables present revenue and segment (loss) profit before tax regarding the Group's reporting and operating segments for the six months ended 30 September 2016 and 2015, respectively.

	Financial quotation services		Mining operations		Money lending		Trading of goods		Total	
	Six months ended 30 September		Six months ended 30 September		Six months ended 30 September		Six months ended 30 September		Six months ended 30 September	
	2016 HK\$	2015 HK\$	2016 HK\$	2015 HK\$	2016 HK\$	2015 HK\$	2016 HK\$	2015 HK\$	2016 HK\$	2015 HK\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited and restated)
Revenue	12,498,403	16,330,294	3,056,300	3,258,329	12,018,434	165,909	93,238,559	10,658,453	120,811,696	30,412,985
Gross profit	4,934,888	5,240,834	3,056,300	3,258,329	12,018,434	165,909	747,506	155,859	20,757,228	8,820,931
Segment (loss) profit	(1,506,509)	(2,570,414)	1,990,290	2,123,266	11,192,697	(155,520)	(248,531)	(53,288)	11,427,947	(655,956)
Unallocated corporate income and gain									129,440	132,280
Increase in fair value of held for trading investment									-	3,172
Unallocated corporate expenses									(12,039,318)	(13,397,919)
Finance costs									(2,333,149)	(2,325,000)
Loss before tax (continuing operations)									(2,815,080)	(16,243,423)

Segment (loss) profit before tax represents the (loss from) profit earned by each segment without allocation of directors' salaries, certain bank interest income, increase in fair value of held for trading investment, certain general and administrative expenses, and finance costs. This is the measure reported to the CODM for the purposes of resources allocation and performance assessment.

4. REVENUE AND SEGMENT INFORMATION *(continued)*

Segments revenue and results *(continued)*

The following tables present assets and liabilities of the Group's reporting and operating segments as at 30 September 2016 and 31 March 2016:

	30 September 2016 HK\$ (Unaudited)	31 March 2016 HK\$ (Audited)
Segment assets		
Financial quotation services	19,442,751	21,328,685
Mining operations	365,306,336	376,017,582
Money lending	150,052,044	132,066,130
Trading of goods	69,457,439	66,135,677
Unallocated corporate assets	5,385,918	8,356,042
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Total assets	609,644,488	603,904,116

	30 September 2016 HK\$ (Unaudited)	31 March 2016 HK\$ (Audited)
Segment liabilities		
Financial quotation services	4,406,518	4,774,874
Mining operations	90,404,461	90,902,830
Money lending	2,273,715	930,104
Trading of goods	4,209,613	209,218
Unallocated corporate liabilities	70,604,734	73,139,849
	<hr/>	<hr/>
Total liabilities	171,899,041	169,956,875

4. REVENUE AND SEGMENT INFORMATION *(continued)*

Segments revenue and results *(continued)*

For the purpose of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable and operating segments other than certain property, plant and equipment, certain other receivables, deposits and prepayments, derivative component of convertible bonds and certain bank balances and cash which are managed on a group basis.
- all liabilities are allocated to reportable and operating segments other than certain other payables, bonds and convertible bonds which are managed on a group basis.

5. FINANCE COSTS

	Six months ended 30 September	
	2016	2015
	HK\$	HK\$
	(Unaudited)	(Unaudited)
Continuing operations		
Effective interest expense on bonds <i>(note 17)</i>	2,325,000	2,325,000
Effective interest expense on the convertible bonds (the "CBs") <i>(note 18)</i>	8,149	-
	2,333,149	2,325,000

6. LOSS BEFORE TAX

Loss before tax is arrived at after charging (crediting):

	Six months ended 30 September	
	2016	2015
	HK\$	HK\$
	(Unaudited)	(Unaudited)
Continuing operations		
Amortisation of prepaid lease payments	50,987	54,358
Costs of goods sold	92,491,053	10,502,594
Depreciation of property, plant and equipment	1,712,474	1,627,498
Minimum lease payments under operating leases in respect of land and buildings	2,690,651	2,668,299
Bank interest income	(181,389)	(176,601)
Forfeiture on deposits received	–	(332,280)
	–	–

7. INCOME TAX EXPENSES

	Six months ended 30 September	
	2016	2015
	HK\$	HK\$
	(Unaudited)	(Unaudited)
Continuing operations		
Current tax		
– The People's Republic of China (the "PRC") Enterprises Income Tax ("EIT")	513,371	530,817
– Hong Kong Profits Tax	1,343,611	–
	1,856,982	530,817
Deferred tax	(41,783)	–
	1,815,199	530,817

- (a) Hong Kong Profits Tax is calculated at 16.5% (2015: 16.5%) of the estimated assessable profit for the six months ended 30 September 2016.
- (b) Under the Law of the PRC on the EIT and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

8. DISCONTINUED OPERATION

On 24 March 2016, the Company entered into a sale and purchase agreement with an independent third party to dispose of its 60% equity interest in POMP International Limited ("POMP") for a cash consideration of HK\$4,000,000. Immediately before the disposal, POMP and its subsidiaries (collectively referred to as the "POMP Group") were engaged in the operation of encryption technology and products development. The disposal was effected in order to reduce the operating loss derived from this segment and generate cash flows for the expansion of the Group's other businesses. The disposal was completed on 24 March 2016, the date control of POMP was passed to the acquirer. Following the disposal of POMP, the Group discontinued its operation in encryption technology and products development business.

	Six months ended 30 September 2015 HK\$ (Unaudited)
Loss for the period from discontinued operation	<u>(5,369,495)</u>

The results of the encryption technology and products development for the six months ended 30 September 2015, which have been included in the condensed consolidated statement of profit or loss and other comprehensive income, were as follows:

	Six months ended 30 September 2015 HK\$ (Unaudited)
Revenue	–
Amortisation of intangible asset	(4,660,647)
General and administrative expenses	(43,270)
Finance costs	<u>(665,578)</u>
Loss before tax	(5,369,495)
Income tax	<u>–</u>
Loss for the period	<u>(5,369,495)</u>
Loss for the period from discontinued operation attributable to:	
– Owners of the Company	(3,221,697)
– Non-controlling interests	<u>(2,147,798)</u>
	<u>(5,369,495)</u>

8. DISCONTINUED OPERATION *(continued)*

Loss for the period from discontinued operation included the following:

	Six months ended 30 September 2015 HK\$ (Unaudited)
Depreciation of property, plant and equipment	<u>(43,270)</u>

No cash flow has been generated from the POMP Group during the six months ended 30 September 2015.

9. LOSS PER SHARE For continuing and discontinued operations

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

	Six months ended 30 September	
	2016	2015
	HK\$	HK\$
	(Unaudited)	(Unaudited)
Loss for the period attributable to owners of the Company	<u>(4,578,740)</u>	<u>(19,468,961)</u>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>2,591,656,370</u>	<u>1,995,776,424</u>

The computation of diluted loss per share does not assume the conversion of the Company's convertible bonds since their exercise would result in a decrease in loss per share.

9 LOSS PER SHARE *(continued)*

For continuing operations

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

	Six months ended 30 September	
	2016	2015
	HK\$	HK\$
	(Unaudited)	(Unaudited)
Loss for the period attributable to owners of the Company	(4,578,740)	(19,468,961)
Less: Loss for the period from discontinued operation	—	(3,221,697)
Loss for the purpose of basic and diluted loss per share from continuing operations	(4,578,740)	(16,247,264)

The denominators used are the same as those detailed above for both basic and diluted loss per share.

For discontinued operation

Basic and diluted loss per share for the discontinued operation for the six months ended 30 September 2015 was 0.16 HK cents, based on the loss for the six months ended 30 September 2015 from the discontinued operation of HK\$3,221,697 and the denominators detailed above for both basic and diluted loss per share. There was no effect on the basic and diluted loss per share for the discontinued operation for the six months ended 30 September 2016.

10. DIVIDEND

No dividend was paid or proposed during the six months ended 30 September 2016 and 2015, nor has any dividend been proposed since the end of the reporting periods.

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2016, the Group acquired property, plant and equipment with a cost of HK\$635,380 (six months ended 30 September 2015: HK\$4,845,258).

Motor vehicle included in the property, plant and equipment with a carrying amount of HK\$275,550 was disposed of by the Group during the six months ended 30 September 2016 (six months ended 30 September 2015: nil) for cash proceeds of HK\$129,440 (six months ended 30 September 2015: nil), resulting a net loss on disposal of HK\$146,110 (six months ended 30 September 2015: nil).

12. INTANGIBLE ASSETS

	Mining right and reserves HK\$	Exploration right HK\$	Technical knowhow HK\$	Total HK\$
At 1 April 2016 (audited)	302,929,294	2,151,491	-	305,080,785
Exchange realignment	(9,979,294)	(68,291)	-	(10,047,585)
At 30 September 2016 (unaudited)	292,950,000	2,083,200	-	295,033,200
	Mining right and reserves HK\$	Exploration rights HK\$	Technical knowhow HK\$	Total HK\$
At 1 April 2015 (audited)	318,651,330	3,538,069	29,000,000	351,189,399
Amortisation	-	-	(8,939,466)	(8,939,466)
Impairment loss (<i>note</i>)	-	-	(2,487,054)	(2,487,054)
Disposal of subsidiaries	-	-	(16,112,873)	(16,112,873)
Write-off	-	(1,272,489)	-	(1,272,489)
Exchange realignment	(15,722,036)	(114,089)	(1,460,607)	(17,296,732)
At 31 March 2016 (audited)	302,929,294	2,151,491	-	305,080,785

Note: At the date of disposal of POMP, the directors of the Company conducted a review of the Group's technical knowhow and determined that the technical knowhow was subject to impairment due to technical obsolescence. An impairment loss of HK\$2,487,054 was recognised on 24 March 2016, upon the disposal of the POMP Group (see note 8).

13. TRADE RECEIVABLES

	30 September 2016 HK\$ (Unaudited)	31 March 2016 HK\$ (Audited)
Trade receivables in relation to:		
– financial quotation services	1,922,373	1,931,763
– trading of goods and commodities	67,689,573	–
	69,611,946	1,931,763

Trade receivables in relation to trading of goods and commodities are having an average credit period of 90 days (31 March 2016: 90 days) while trade receivables from financial quotation services are due upon the presentation of invoices (31 March 2016: due upon the presentation of invoices).

The following is an ageing analysis of the Group's trade receivables presented based on the invoice date, which approximates the respective revenue recognition dates, at the end of the reporting period:

	30 September 2016 HK\$ (Unaudited)	31 March 2016 HK\$ (Audited)
0 – 3 months	69,432,229	1,763,649
4 – 6 months	179,717	155,370
6 – 12 months	–	12,744
	69,611,946	1,931,763

14. LOAN AND INTEREST RECEIVABLES

	30 September 2016 HK\$ (Unaudited)	31 March 2016 HK\$ (Audited)
Loan receivables, repayable within one year and classified as current asset:		
Secured (<i>note</i>)	16,000,000	16,000,000
Unsecured (<i>note</i>)	130,600,000	105,600,000
	146,600,000	121,600,000
Interest receivables	2,098,311	869,877
	148,698,311	122,469,877

Note: The secured and unsecured loans advanced to the customers arising under the Group's money lending segment had an average loan period of 4 – 12 months (31 March 2016: 3 – 12 months). The loans provided to customers bore fixed interest rate ranging from 0.8% to 2.5% per month (31 March 2016: 0.8% - 3%).

The following is an ageing analysis of loan and interest receivables, presented based on the dates which loans are granted to borrowers and interests are accrued.

	30 September 2016 HK\$ (Unaudited)	31 March 2016 HK\$ (Audited)
0 – 3 months	2,698,311	27,869,877
4 – 6 months	25,000,000	94,000,000
6 – 12 months	121,000,000	600,000
	148,698,311	122,469,877

The Group's financing advances to customers included in the loan receivables are due as of the due dates specified in respective loan agreements.

15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30 September 2016 HK\$ (Unaudited)	31 March 2016 HK\$ (Audited)
Other receivables	810,921	21,103,996
Deposits	2,583,703	2,777,515
Prepayments	621,704	10,674,801
	4,016,328	34,556,312

16. TRADE AND OTHER PAYABLES

	30 September 2016 HK\$ (Unaudited)	31 March 2016 HK\$ (Audited)
Trade payables (<i>notes (a) and (b)</i>)	1,823,306	2,122,384
Receipts in advance	12,141,139	6,575,376
Other payables and accrued charges	8,506,421	6,329,818
	22,470,866	15,027,578

Notes:

- (a) The ageing of trade payables were within 3 months (31 March 2016: 3 months) based on the invoice date at the end of the reporting period.
- (b) An average credit period of 45 to 180 days (31 March 2016: 45 to 180 days) is granted by the service providers in financial quotation services segment. The average credit period on purchases of goods in trading segment is 90 days (31 March 2016: 90 days).

17. BONDS

At the end of the current interim periods, the Group had outstanding unsecured corporate bonds with aggregate principal of HK\$70,000,000 (31 March 2016: HK\$70,000,000) with the following major terms:

Issue price:	100% of the principal amount
Interest:	5.5% per annum payable semi-annually in arrear
Maturity:	7 years from date of issuance unless early redeemed
Early redemption options:	<ul style="list-style-type: none"> – The holders can request for early redemption after the fourth anniversary from the issue date up to the maturity date at a redemption amount of 80% of the outstanding principal. – The Group can early redeem the bonds after the fifth anniversary from the issue date up to the maturity date at a redemption amount of 100% of the outstanding principal.

The movements of the bonds are set out below:

	For the six months ended 30 September 2016 HK\$ (Unaudited)	For the year ended 31 March 2016 HK\$ (Audited)
Carrying amount at the beginning of the period/year	66,029,000	65,229,000
Effective interest charge for the period/year (note 5)	2,325,000	4,650,000
Interest payable/paid	(1,925,000)	(3,850,000)
	66,429,000	66,029,000
Carrying amount at the end of the period/year		
Less: Bonds repayable after two years but within five years shown under non-current liabilities	(66,429,000)	(66,029,000)
Current portion	–	–

The Company's bonds carry interest at effective interest rate of 7.22% (31 March 2016: 7.22%) per annum.

18. CONVERTIBLE BONDS

On 4 March 2016, the Company issued the CBs with aggregate principal amount of HK\$30,000,000 to several independent third parties with maturity date on 3 March 2018 (the “Maturity Date”). The CBs bear interest of 4% per annum payable annually, are unsecured and denominated in HK\$.

The principal terms of the CBs are as follows:

Conversion: The holders of the CBs are entitled to convert the CBs into ordinary shares of the Company at a conversion price of HK\$0.12 per ordinary share.

The conversion rights are exercisable at any time during the period commencing from the date of issue of the CBs up to the Maturity Date.

Redemption: The Company may, by notice, redeem whole or part of the outstanding CBs at the rate of 105% of the principal amount of such CBs with interest accrued before the Maturity Date.

The holders of the CBs are not entitled to request for early redemption except for event of default occurred.

Unless previously converted or redeemed, the outstanding CBs will be redeemed by the Company at the Maturity Date.

At the date of the issue, the CBs were bifurcated into liability, equity and derivative components.

The conversion feature of the CBs as equity components of the Company is presented in equity under “convertible bonds equity reserve” at initial recognition.

The Company’s early redemption option was presented in the condensed consolidated statement of financial position as “derivative component of convertible bonds” at 31 March 2016 and was measured at fair value with changes in fair value recognised in profit or loss.

The effective interest rate of the liability component is 11.21% during the current interim period (31 March 2016: 11.21%).

On 5 April 2016, the outstanding CBs with principal amount of HK\$6,000,000 were converted into 50,000,000 ordinary shares of the Company. After the abovementioned conversion, there was no outstanding CBs.

18. CONVERTIBLE BONDS *(continued)*

The movement of the liability, equity and derivative components of the CBs and the reconciliation of Level 3 fair value measurement of the derivative component of the CBs during the reporting period are set out below:

	Liability component of the CBs HK\$	Derivative financial asset of the CBs HK\$	Equity component of the CBs HK\$	Total HK\$
At 1 April 2015	-	-	-	-
Issued during the year	26,497,152	(16,272,764)	19,775,612	30,000,000
Transaction costs	(190,641)	-	(142,281)	(332,922)
Conversion to shares during the year	(21,105,392)	13,052,047	(15,706,665)	(23,760,010)
Changes in fair value	-	(558,546)	-	(558,546)
Effective interest charge for the year	146,721	-	-	146,721
Interest paid	(41,294)	-	-	(41,294)
	<u>5,306,546</u>	<u>(3,779,263)</u>	<u>3,926,666</u>	<u>5,453,949</u>
At 31 March 2016 (audited)	5,306,546	(3,779,263)	3,926,666	5,453,949
Effective interest charge for the period	8,149	-	-	8,149
Interest paid	(21,699)	-	-	(21,699)
Conversion to shares during the period	(5,292,996)	3,779,263	(3,926,666)	(5,440,399)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 30 September 2016 (unaudited)	-	-	-	-

At 31 March 2016, the fair value of the derivative component of the CBs was valued using the Binomial option pricing model. The inputs into the model were as follows:

	At 31 March 2016 (Audited)
Share price	HK\$0.153
Conversion price	HK\$0.12
Expected volatility	108%
Expected life	1.93 years
Risk-free rate	0.64%
Expected dividend yield	Nil

19. SHARE CAPITAL

	Number of shares	Amount HK\$
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2015 and 31 March 2016 (audited)	6,000,000,000	60,000,000
Increase on 29 September 2016 (<i>note (a)</i>)	14,000,000,000	140,000,000
	<u>20,000,000,000</u>	<u>200,000,000</u>
Issued and fully paid:		
At 1 April 2015 (audited)	1,986,415,200	19,864,152
Issue of shares on placing (<i>note (b)</i>)	214,138,000	2,141,380
Issue of shares upon shares subscription (<i>note (c)</i>)	30,000,000	300,000
Issue of shares upon conversion of convertible bonds (<i>note (d)</i>)	200,000,000	2,000,000
	<u>2,430,553,200</u>	<u>24,305,532</u>
At 31 March 2016 (audited)	2,430,553,200	24,305,532
Issue of shares upon conversion of convertible bonds (<i>note (d)</i>)	50,000,000	500,000
Issue of shares on placing (<i>note (b)</i>)	190,110,000	1,901,100
	<u>2,670,663,200</u>	<u>26,706,632</u>
As at 30 September 2016 (unaudited)	<u>2,670,663,220</u>	<u>26,706,632</u>

19. SHARE CAPITAL *(continued)*

Notes:

- (a) Pursuant to an ordinary resolution passed at the annual general meeting on 29 September 2016, the Company's authorised share capital was increased from HK\$60,000,000 divided into 6,000,000,000 shares of HK\$0.01 each to HK\$200,000,000 divided into 20,000,000,000 shares of HK\$0.01 each by creation of additional 14,000,000,000 shares of HK\$0.01 each.
- (b) On 23 September 2015, 214,138,000 ordinary shares of HK\$0.01 each were placed at a price of HK\$0.189 per share, raising a total proceeds of HK\$40,064,229, net of direct expenses.
- On 15 June 2016, 190,110,000 ordinary shares of HK\$0.01 each were placed at a price of HK\$0.09 per share, raising a total proceeds of HK\$16,596,783, net of direct expenses.
- (c) On 12 October 2015, 30,000,000 ordinary shares of HK\$0.01 each were subscribed at a price of HK\$0.197 per share, raising a total proceeds of HK\$5,910,000, with no direct expense incurred.
- (d) On 16, 18 and 24 March 2016, conversion options of the CBs with aggregate principal amount of HK\$24,000,000 were exercised to subscribe 200,000,000 ordinary shares of the Company, with exercise price of HK\$0.12 per share. HK\$2,000,000 was credited to share capital and HK\$6,053,345 was transferred from carrying amount of the CBs to the share premium in accordance with the Group's accounting policy.

On 5 April 2016, conversion options of the CBs with principal amount of HK\$6,000,000 were exercised to subscribe 50,000,000 ordinary shares of the Company, with exercise price of HK\$0.12 per share. HK\$500,000 was credited to share capital and HK\$1,013,733 was transferred from carrying amount of the CBs to the share premium in accordance with the Group's accounting policy.

20. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Fair value of the Group's financial instruments that are measured at fair value on a recurring basis

The Group categorised the fair value measurements into three levels, based on the characteristics of inputs, as follows:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

20. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS *(continued)*

(a) Fair value of the Group's financial instruments that are measured at fair value on a recurring basis *(continued)*

The following table provides the only financial instrument measured at fair value, which was the derivative component of the CBs.

Financial instrument	Fair value hierarchy	Fair value as at		Valuation technique and key inputs	Significant unobservable inputs		Relationship of key inputs and significant unobservable inputs
		30 September 2016 HK\$ (Unaudited)	31 March 2016 HK\$ (Audited)		Range	Range	
Derivative component of the CBs – financial assets	Level 3	nil	3,779,263	31 March 2016: Binomial option pricing model: by reference to the risk-free rate of 0.64% and effective interest rate of 9.50%	31 March 2016: Volatility	31 March 2016: 106%-108%	31 March 2016: The higher the volatility, the lower of the fair value of derivative component of the CBs

Reconciliation of Level 3 fair value measurement of derivative component of the CBs is set out in note 18.

There was no transfer between levels of fair value hierarchy in the current period and prior year.

(b) Fair value of the Group's financial instruments that are not measured at fair value on a recurring basis

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities as at 30 June 2016 and 31 December 2015 recorded at amortised cost in the condensed consolidated statement of financial position approximate their fair values.

21. OPERATING LEASE COMMITMENTS

(a) The Group as lessor

At the end of the current interim period, the Group had contracted with the tenants for future minimum lease receivables under non-cancellable operating leases as follows:

	30 September 2016 HK\$ (Unaudited)	31 March 2016 HK\$ (Audited)
Within one year	3,022,500	6,250,920

(b) The Group as lessee

At the end of the current interim period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	30 September 2016 HK\$ (Unaudited)	31 March 2016 HK\$ (Audited)
Within one year	4,112,482	4,464,815
In the second to fifth years inclusive	3,024,822	5,230,120
	7,137,304	9,694,935

Operating lease payments represent rentals payable by the Group for certain of its office properties and production premises. Leases are negotiated for terms ranging from 1 to 3 years. Rentals were fixed at the inception of the leases.

22. RELATED PARTY TRANSACTION

Key management compensation amounted to HK\$1,680,000 for the six months ended 30 September 2016 (six months ended 30 September 2015: HK\$2,478,000).

23. EVENTS AFTER THE REPORTING PERIOD

On 14 November 2016, the Company proposed a rights issue (“Rights Issue”) to raise a gross proceeds of HK\$146,886,476 by issuing 1,335,331,600 rights shares of the Company at the subscription price of HK\$0.11 per rights share. Qualifying shareholders will be allotted one nil-paid rights for every two existing shares held on record date on 28 November 2016. The Rights Issue has not been completed up to the date of this report.

Further details of the Rights Issue are set out in the Company’s announcement dated 14 November 2016.

24. COMPARATIVE FIGURES

As a result of the retrospective adjustment of the discontinued operation as detailed in note 8, certain comparative figures have been restated to conform to current period’s presentation and to provide comparative amounts in respect of items disclosed for the six months ended 30 September 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

Operating Results

For the six months ended 30 September 2016, the revenue of the Group amounted to approximately HK\$120.8 million, representing an increase of 297.2% as compared to approximately HK\$30.4 million in previous interim period. Loss after tax for the current period amounted to approximately HK\$4.6 million, represented an improvement by 79.1% as comparing to the net loss in the previous period of approximately HK\$22.1 million. The total comprehensive loss of the Group amounted to approximately HK\$14.3 million, after taking into account an exchange loss on translation of foreign operations of approximately HK\$9.7 million, representing a decrease of approximately HK\$21.9 million as compared to the total comprehensive loss of approximately HK\$36.2 million in the previous interim period. The loss for the period attributable to owners of the Company amounted to approximately HK\$4.6 million, representing a decrease of approximately HK\$14.9 million from that of the previous interim period.

Interim Dividend

The Directors did not recommend an interim dividend for the six months ended 30 September 2016.

Business Review

The Group involves in four identifiable business segments namely the financial quotation segment, the mining operations segment, the money lending segment and the trading segment. The financial quotation segment includes (i) financial quotation services provided by QuotePower International Limited (“QuotePower”); and (ii) wireless applications development provided by ABC QuickSilver Limited (“ABC QuickSilver”). The mining operations segment refers to the sales of mineral resources and lease of mining rights in China conducted by Jun Qiao Limited and its subsidiaries (the “Jun Qiao Group”). The money lending segment refers to the money lending business engaged in Hong Kong by Ban Loong Finance Company Limited (“Ban Loong Finance”), a wholly-owned subsidiary of the Company which had obtained a money lender license in last year. The trading segment refers to the trading of goods and commodities in China by Wan Long Xing Ye Commercial Trading (Shenzhen) Limited (“Wan Long Xing Ye”), a wholly-owned subsidiary of the Company.

The Financial Quotation Segment

During the current interim period, revenue of QuotePower amounted to approximately HK\$12.5 million. As compared with the last interim period, revenue from QuotePower has been declined by 23.5%. This reflected loss of subscribers of our financial quotation services owing to the keen competition from those free stock-quote services providers. The loss from the segment amounted to approximately HK\$1.5 million, representing an improvement of approximately HK\$1.1 million as comparing to the loss from the segment amounted to approximately HK\$2.6 million in the previous interim period. This showed that even though there was a drop in revenue, the management of QuotePower have successfully improved efficiency and made achievement in carrying out cost control policies.

The Mining Operations Segment

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

Yin Di Mining Area (銀地礦區) in Henan

The Yin Di Mining Area is the only mine of the Group with mining right. It is located at Tongbai County in Henan Province and covers a mining area of approximately 1.81 km². The mining area is 15 km away from Xining railways and connected to China National Highway 312, the traffic is considerably convenient. The mining license will be expired in January 2017 and the management is making every endeavour to renew the licence. The Company does not foresee any difficulty in renewing the licence.

Hu Lei Si De Mining Area (呼勒斯德地區) in Xinjiang

The mine is located at Jai Tai County (奇台縣) of Xinjiang Uygur Autonomous Region with a total exploration mining area of 29.12 km². The mining area is connected to gravel and asphalt roads, traffic is considered convenient. Detailed geological survey and mineral resources exploration were undertaken. At the moment, several gold mineralization zones and substantial coal reserves have been identified. The exploration license will be expired in September 2019 and the Group was preparing to apply for converting the exploration license to mining license.

The Group has entered into an operating lease contract with Henan Heng Yi Mining Company Limited (the "Lessee"), an independent third party, pursuant to which assets of the mining operations segment, including mining structures and plant and machinery included in property, plant and equipment; prepaid lease payments; mining right and reserves and exploration right included in intangible assets; and prepayments for exploration and evaluation activities (the "Mining Assets"), was leased to the Lessee. Under the terms of the lease contract, the Lessee shall be responsible for all operating expenses in relation to the Mining Assets, any costs of exploration, survey and preparation of technical reports of the Group's mining properties during the tenure of the lease. In addition, the Lessee shall refrain from over-exploitation and ensure that there are adequate residual resources in the mining properties.

The management considered that the operating lease arrangement provides an opportunity for the Group to generate a stable operating lease income from the Mining Assets and minimize the Group's exposure to extra capital expenditure and operating costs associated with the mining operations.

During the interim period, the revenue generated from the operating lease arrangement amounted to approximately HK\$3.1 million, which represented the segment revenue of the mining operations segment.

Money Lending Segment

Ban Loong Finance had obtained a money lender license to carry out money lending business in Hong Kong. Its business primarily focuses in the area of short-term personal loans. As restricting by the available financial resources of the Group, Ban Loong Finance does not conduct business in retail level. Potential borrowers were sought from the social and business networks of the management. To safeguard assets of the Group, the management will review and assess the credit risk of each loan application carefully to ensure recoverability of each lending. The management would conduct full-scale background check on borrowers, including reviewing the credit reports issued by independent credit rating agent and examining borrowers' assets backing. Ban Loong Finance would request loan applicants to provide adequate security and/or guarantee before approving a loan application. Generally speaking, borrowers would be requested to pay interest monthly, in order to let the management monitors continuously the financial stability of borrowers.

During the current interim period, the business performance of the money lending segment was summarised below:

– Aggregate amount of lending	HK\$146.6 million
– Total number of lending	13
– Range of effective annual percentage rate (“APR”)	10.0%-42.6%
– Weighted average APR	19.0%

During the current interim period, revenue generated from the segment, that is interest received and accrued, amounted to approximately HK\$12.0 million.

Trading Segment

Wan Long Xing Ye carried out trading of goods and commodities business in China. During the interim period, Wan Long Xing Ye mainly engaged in the trading of refined edible oil and generated trading revenue amounted to approximately HK\$93.2 million, whereas trading of 17,965 tonnages of refined edible oil were completed.

SELLING AND DISTRIBUTION EXPENSES

During the current interim period, the Group's selling and distribution expenses amounted to approximately HK\$0.9 million, which represented an increase of approximately 2.1% over the last interim period. Selling and distribution expenses were incurred mostly in the financial quotation segment.

GENERAL AND ADMINISTRATIVE EXPENSES

During the current interim period, the Group's general and administrative expenses decreased by approximately HK\$1.8 million or 8.3%. The general and administrative expenses mainly composed of (i) legal and professional fees of approximately HK\$2.6 million; (ii) the staff related cost of approximately HK\$6.7 million; (iii) the directors' fee of approximately HK\$1.1 million; (iv) rental expenses of approximately HK\$2.7 million; and (v) depreciation expenses of approximately HK\$1.7 million.

FINANCE COSTS

Finance costs amounted to approximately HK\$2.3 million (30 September 2015: HK\$2.3 million). The interest incurred mainly due to the imputed interest on long-term bonds issued.

INCOME TAX EXPENSES

During the current interim period, the Group's income tax expenses of approximately HK\$1.8 million was provided for the estimated assessable profits in the money lending segment and trading segment.

LOSS PER SHARE

During the current interim period, the Company has suffered from a loss per share of 0.18 HK cents (30 September 2015: 0.98 HK cents).

INTANGIBLE ASSETS

The Group's intangible assets, which comprised of mining right and reserves and exploration right, amounted to approximately HK\$295.0 million, which was resulted from the acquisition of Jun Qiao Group in the prior years.

TRADE RECEIVABLES

The Group's trade receivables as at 30 September 2016 amounted to approximately HK\$69.6 million which represented an increase of approximately HK\$67.7 million as comparing with the trade receivables of approximately HK\$1.9 million as at 31 March 2016. The change was mainly contributed by the increase in revenue in the trading segment that occurred near the interim period end. The management did not foresee any recoverability problem as the amount fell within the credit terms and the track records of the customers are satisfactory. The management will constantly review the ageing and credit standing of customers to ensure trade receivables can be fully recovered.

OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

As at 30 September 2016, other receivables, deposits and prepayments amounted to HK\$4.0 million (31 March 2016: HK\$34.6 million). The amount mainly refers to the rental and other deposits paid.

SHARE CAPITAL AND FUND RAISING ACTIVITIES

As at 30 September 2016, the total number of issued ordinary shares of the Company was 2,670,663,200 shares (31 March 2016: 2,430,553,200 shares).

Increase in Authorised Share Capital

After the conclusion of the annual general meeting of the Company held on 29 September 2016, the increase of the authorized share capital of the Company, has been passed by ordinary resolution, from HK\$60,000,000.00 divided into 6,000,000,000 Shares to HK\$200,000,000.00 divided into 20,000,000,000 Shares by the creation of additional 14,000,000,000 Shares, which will rank pari passu in all respects with each other.

The increase of authorised share capital can provide the Company with more flexibility for fund raising by allotting and issuing new Shares in the future as and when appropriate.

Placing of New Shares under General Mandate

On 6 June 2016, the Company entered into a placing agreement with Supreme China Securities Limited as placing agent (the "Placing Agent") to place, on a best efforts basis, a maximum of 190,110,640 shares at a price of HK\$0.09 per share under the general mandate granted to the Board at the annual general meeting held on 30 September 2015 (the "Placing"). Completion of the Placing took place on 15 June 2016 whereby a total of 190,110,000 shares were placed by the Placing Agent. The gross proceeds from the Placing are approximately HK\$17.1 million and the net proceeds from the Placing, after deducting the placing commission and other professional fees incurred by the Company in the Placing, are approximately HK\$16.6 million. The net proceeds of the Placing has been utilized by the Company for financing the Group's money lending business as intended. For further details, please refer to the Company's announcements dated 6 June 2016 and 15 June 2016.

FINANCIAL POSITION

The Group's consolidated statement of financial position remained solid. Shareholders' equity attributable to owners of the Company increased from approximately HK\$326.2 million to approximately HK\$333.4 million. Total assets and net assets increased by 1.0% and 0.9% to HK\$609.6 million and HK\$437.7 million.

In the current interim period, the net cash used in operations amounted to approximately HK\$76.0 million, as compared to that of approximately HK\$16.0 million in previous interim period. The net cash used in operation increased by approximately HK\$60.0 million, which was primarily due to the increase in trade receivables by approximately HK\$67.7 million. The net cash from the Group's investing activities amount to approximately HK\$20.1 million, which was mainly due to the repayment received from an independent third party. Overall, the net decrease in cash and cash equivalents of the Group amounted to approximately HK\$39.3 million, as compared to the net increase in previous interim period of approximately HK\$18.9 million. As at 30 September 2016, the Group's cash and cash equivalent amounted to approximately HK\$22.6 million. The Group was endeavor to maintains a conservative approach to cash management and risk controls.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2016, the Group's cash and cash equivalents amounted to HK\$22.6 million (31 March 2016: HK\$62.7 million). The group had no banks loans or borrowings with fixed term of repayment at the end of the reporting period.

	As at 30 September 2016	As at 31 March 2016
Current ratio (current assets/current liabilities)	7.3 times	9.2 times
Gearing ratio (total liabilities/total assets)	28.2%	28.1%

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



MERGERS AND ACQUISITIONS

Memorandum of Understanding

On 21 April 2016, Wan Long Xing Ye, a wholly foreign owned enterprise established under the laws of the PRC and a direct wholly-owned subsidiary of the Company entered into a non-legally binding Memorandum of Understanding with Shenzhen Leading Electronic Technology Company Limited (深圳市利天宏業電子科技有限公司) (the “Vendor”) pursuant to which the Vendor proposed to sell the target interest (namely 10% equity interest in the Guizhou Dushan Rural Commercial Bank Joint Stock Corporation (the “Target Company”)) to Wan Long Xing Ye at a total consideration of not exceeding RMB66.8 million (equivalent to approximately HK\$80 million), which was expected to be satisfied by cash. The Target Company is a joint stock limited liability company established under the laws of the PRC on 31 December 2013. According to the information provided by the Vendor, the Target Company is a commercial bank headquartered in Du Shan County, Guizhou Province, the PRC with a registered and paid-up capital of RMB210 million (equivalent to approximately HK\$251.5 million). If the Memorandum of Understanding proceeds to signing of a formal sale and purchase agreement, it was expected that the Proposed Acquisition may constitute either a discloseable or major transaction for the Company under Chapter 14 of the Listing Rules. The Memorandum of Understanding has been lapsed on 21 October 2016.

PLEDGE OF ASSETS

As at 30 September 2016, no assets of the Group were pledged to secure general banking facilities granted to the Group.

CONTINGENT LIABILITIES

As at 30 September 2016, the Group had no material contingent liabilities.

CAPITAL COMMITMENTS

As at 30 September 2016, the Group had no material capital commitments.

FOREIGN EXCHANGE EXPOSURE

Most of the operations and trading transaction, assets and liabilities of the Group were denominated in Hong Kong dollars and Renminbi.

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

COMMODITY PRICE RISK

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

EMPLOYEE REMUNERATION POLICY

As at 30 September 2016, the Group had 63 employees (30 September 2015: 61 employees). Total salaries, commissions, incentives and all other staff related costs incurred for the interim period ended 30 September 2016 amounted to approximately to HK\$6.7 million (30 September 2015: HK\$8.5 million). Our remuneration policies are in line with prevailing market practices and formulated on the basis of the performance and experience of individual employees. Apart from basic salaries, other staff benefits included provident funds, life insurance and medical assistance benefit. The Company may also grant share options to eligible employees to motivate their performance and contribution to the Group.

PROSPECTS

The Financial Quotation Segment

The business of the financial quotation segment is closely associated with the growth and prosperity of the stock market in Hong Kong. QuotePower is one of the leading financial quotation service providers in Hong Kong. It has long history in the market and has wide client base. However, it is believed that the market for paid financial quotation services has been fully developed and saturated. The potential for further development is very limited and raise of subscription price would only result in loss of subscribers. The Directors expect that the business environment of the segment remains challenging due to the keen competition, especially from those free stock-quote services providers. The prospect of the segment depends on the management's ability to retain customers by providing quality services and to control costs.

The management expected that customers drain is an inevitable trend in the financial quotation segment, since everyone gets accustomed to free information in the era of internet. The financial performance of the financial quotation segment may keep declining in the coming years.

The Company is in the process of formulating the business strategy for the financial quotation services segment might involve a possible scaling-down and/or sell-down and/or the introduction of new investors and/or new project partners in light of its difficult business environment.

The Mining Operations

The scale of the Group's mining operations is considered small and limited. The Group can only be a market follower, and has no influence on the market price and sales of ores and ores concentrates in the local market. Despite the Group's solid reserve of mineable resources, the segmental results of the mining operations segment of the Group had not been performing well in the past few years. Upon review on the development of the mining operations segment, the management concluded that the stagnant in the segment was mainly caused by the lack of management expertise, techniques and local workforce in exploiting valuable resources. Moreover, government policies were significant tilted in favor of those local large and state-owned mining companies. This has further restricted the development of the Group's mining operations segment.

In light of the above obstacles, the management was still endeavors in adjusting the development strategy in the mining operations segment. The Group has entered into a operating lease contract with Henan Heng Yi Mining Company Limited (the "Lessee") since 30 March 2015, being an independent third party, pursuant to which the Mining Assets was leased to the Lessee. Under the terms of the lease contract, the Lessee shall be responsible for all operating expenses in relation to the Mining Assets, any costs of exploration, survey and preparation of technical reports of the Group's mining properties during the tenure of the lease. In addition, the Lessee shall refrain from over exploitation and ensure that there are abundant residual resources in the mining properties.

The Group will extend the operating lease arrangement in foreseeable future with a view to create stable cash flow and minimise the possible capital commitment of the Group.

Money Lending Business

During and subsequent to the current interim period, the Group has made several short-terms loans to customers. These customers are usually renowned businessmen and professionals with sufficient assets backing. The Group would also request customers to provide adequate guarantees before releasing loan money. The management considered the potential of the segment was high and the segment could help to provide a constant cash inflow to the Group. The Group has planned for an increase of overall loan portfolio size to achieve better economy of scale and efficiency optimisation.

The Group is also considering to expand its money lending business into the PRC market, where opportunities arise from the deleveraging process in the banking system and the commercial and private sector find difficulty in obtaining short-term financing.

The management expected the money lending segment will be one of the major revenue and profit contributors of the Group in the coming years.

Trading Segment

Wan Loong Xing Ye is the new flagship company of the Group in the PRC which engages in the domestic trading of goods and commodities in the PRC. At present, it traded mainly refined edible oil. The Group will further broaden the categories of goods involved in the trading business so as to minimise the concentration risk in trading a particular type of goods.

The management has planned to broaden the categories of goods traded and increase the size of trading volume with a view to achieving economy of scale and improving the gross profit margin. The segment will be remained as the main revenue contributor of the Group in the coming years.

Other

The management always believes that it is in the best interest of the Company and the shareholders to diversify the Group's business portfolio. The Company will continue to identify appropriate potential investment opportunities.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the Code Provisions set out in the Corporate Governance Code with effect from 1 April 2012 (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange during the six months ended 30 September 2016 except for the following deviation:

Code Provision A.4.1

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

Code Provision A.6.7

Code Provision A.6.7 stipulates that independent non-executive directors ("INEDs") and other non-executive directors ("NEDs") should attend general meeting. There was only one INED attended the annual general meeting of the Company held on 29 September 2016 (the "2016 AGM") and one NED and two INEDs were unable to attend the 2016 AGM due to their other business engagements.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As at 30 September 2016, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which (i) were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) 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 the Securities Transactions by Directors of Listed Companies (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), to be notified to the Company and the Stock Exchange were as follows:

Names of Directors	Capacity	Number of Shares held (long position)	Percentage of the issued share capital of the Company
Fong For	Beneficial owner	331,068,000	12.40%
Chow Wang	Beneficial owner	64,964,000	2.43%

Save as disclosed above, as at 30 September 2016, none of the Directors or Chief Executive of the Company had any interest or short position in any shares, underlying shares or debenture of the Company or any of its associated corporations (within meaning of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which Directors have taken or deemed to have under such provisions of SFO) or (b) were required pursuant to section 352 of the SFO, to be entered in the register referred to therein; or which (c) were required, pursuant to the Model Code to be notified to Company and the Stock Exchange.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2016, so far as is known to the Directors or chief executive of the Company, the Company had not been notified of any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would fall to be disclosed under provisions of Division 2 and 3 of Part XV of the SFO, or any persons (other than the Directors and chief executive of the Company) who was directly and indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote at general meetings of any other member the Group.

Save as disclosed above, the Company had not been notified of any other interests or short positions in the shares or underlying shares of the Company.

SHARE OPTION SCHEME

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

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

BOARD DIVERSITY POLICY

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

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

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

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



MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

AUDIT COMMITTEE

The Audit Committee of the Company comprises three independent non-executive directors, namely Ms. Wong Chui San, Susan (*Chairman*), Mr. Leung Ka Kui, Johnny and Mr. Jiang Zhi.

The Group’s unaudited accounts for the six months ended 30 September 2016 have been reviewed by the Audit Committee of the Company.

CHANGES IN INFORMATION OF DIRECTORS

Save as disclosed elsewhere in this report, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the publication of the Company’s 2015/2016 annual report.

By Order of the Board

Chow Wang

Chairman