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MISSION CAPITAL HOLDINGS LIMITED

保興資本控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1141)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2015

The Board of Directors (the “Board”) of Mission Capital Holdings Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred as the “Group”) for the year ended 31 March 2015 together with comparative figures as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2015

	<i>Notes</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Revenue	4	300,700	1,369,188
Cost of sales		(268,657)	(1,329,498)
Gross profit		32,043	39,690
Net gains on investments at fair value through profit or loss		596,440	411,915
Other income		3,235	6,728
Other gains and losses	4	(2,956)	(2,263)
Selling and distribution costs		(481)	(983)
Administrative expenses		(27,480)	(31,289)
Other expenses		(38,975)	–
Finance costs	5	(10,424)	(6,645)
Profit before taxation	6	551,402	417,153
Taxation	7	(64,345)	(70)
Profit and total comprehensive income for the year attributable to owners of the Company		487,057	417,083
Earnings per share	9		
Basic (HK cents per share) – restated		10.40	10.74
Diluted (HK cents per share) – restated		10.35	10.64

* For identification purpose only

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

	<i>Notes</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		96	2,169
Available-for-sale investments		349,400	18,000
		<hr/> 349,496	<hr/> 20,169
Current assets			
Trade and bills receivable	<i>10</i>	11,974	125,548
Prepayments, deposits and other receivables		17,497	60,481
Loans receivable	<i>11</i>	120,000	42,233
Tax recoverable		50	102
Investments at fair value through profit or loss	<i>12</i>	2,203,143	1,301,924
Pledged bank deposits		–	21,116
Cash and bank balances		17,585	313,566
		<hr/> 2,370,249	<hr/> 1,864,970
Current liabilities			
Trade and bills payable	<i>13</i>	2,590	9,030
Other payables and accruals		18,917	16,905
Borrowing	<i>14</i>	158,128	–
Bank advances for discounted bills		–	119,355
		<hr/> 179,635	<hr/> 145,290
Net current assets		<hr/> 2,190,614	<hr/> 1,719,680
Total assets less current liabilities		<hr/> 2,540,110	<hr/> 1,739,849

	<i>Notes</i>	2015 HK\$'000	2014 <i>HK\$'000</i>
Non-current liabilities			
Notes payable	<i>15</i>	146,375	145,717
Deferred tax liabilities		65,000	707
		<u>211,375</u>	<u>146,424</u>
Net assets		<u>2,328,735</u>	<u>1,593,425</u>
Capital and reserves			
Share capital		64,178	342,268
Reserves		2,264,557	1,251,157
Total equity		<u>2,328,735</u>	<u>1,593,425</u>

NOTES:

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, that are measured at fair values at the end of each reporting period.

2. APPLICATION OF NEW AND REVISED HKFRSs

In the current year, the Group has applied the following new amendments and interpretation issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities
Amendments to HKAS 32	Offsetting financial assets and financial liabilities
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting
HK(IFRIC) – INT 21	Levies

The application of these HKFRSs in the current period has had no material impact on the Group’s financial performance and positions for the current period and prior year and/or on the disclosures set out in these consolidated financial statements.

3. SEGMENT INFORMATION

The financial information reported to executive directors of the Company, being the chief operating decision markers, for the purpose of resources allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

Specifically, the Group’s reportable and operating segments under HKFRS 8 are as follows:

- the supply and procurement segment represents supply and procurement activities in metal minerals, recyclable metal materials and timber logs;
- the provision of finance segment represents provision of short-term loan financing activities;
- the securities investment segment represents investment and trading activities in equity securities, convertible bonds and interest bearing notes; and
- the real estate segment represents a new business line of trading properties commencing in February 2015.

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

For the year ended 31 March 2015

	Supply and procurement <i>HK\$'000</i>	Provision of finance <i>HK\$'000</i>	Securities investment <i>HK\$'000</i>	Real estate <i>HK\$'000</i>	Total <i>HK\$'000</i>
Proceeds on sales	<u>269,013</u>	<u>2,904</u>	<u>800,309</u>	<u>–</u>	<u>1,072,226</u>
Segment revenue					
Sales to and income from external parties	<u>269,013</u>	<u>2,904</u>	<u>28,783</u>	<u>–</u>	<u>300,700</u>
Segment results	<u>(2,225)</u>	<u>2,693</u>	<u>625,223</u>	<u>(26)</u>	<u>625,665</u>
Unallocated other income					1,221
Unallocated expenses					(65,060)
Finance costs					<u>(10,424)</u>
Profit before taxation					<u>551,402</u>

For the year ended 31 March 2014

	Supply and procurement <i>HK\$'000</i>	Provision of finance <i>HK\$'000</i>	Securities investment <i>HK\$'000</i>	Real estate <i>HK\$'000</i>	Total <i>HK\$'000</i>
Proceeds on sales	<u>1,352,328</u>	<u>11,493</u>	<u>312,870</u>	<u>–</u>	<u>1,676,691</u>
Segment revenue					
Sales to and income from external parties	<u>1,352,328</u>	<u>11,493</u>	<u>5,367</u>	<u>–</u>	<u>1,369,188</u>
Segment results	<u>23,584</u>	<u>11,109</u>	<u>417,282</u>	<u>–</u>	451,975
Unallocated other income					1,120
Unallocated expenses					(29,297)
Finance costs					<u>(6,645)</u>
Profit before taxation					<u>417,153</u>

Geographic information

The Group operates in two principal geographical areas – the People’s Republic of China (the “PRC”) and Hong Kong.

The Group’s revenue from external customers by customer location and information about its non-current assets by location of assets are detailed below:

	Revenue from external customers		Non-current asset	
	2015 <i>HK\$’000</i>	2014 <i>HK\$’000</i>	2015 <i>HK\$’000</i>	2014 <i>HK\$’000</i>
Hong Kong	31,687	16,860	96	2,169
PRC	269,013	1,352,328	–	–
	<u>300,700</u>	<u>1,369,188</u>	<u>96</u>	<u>2,169</u>

The accounting policies of the operating segments are the same as the Group’s accounting policies. Segment results represents the profit earned by (loss from) each segment without allocation of central administrative costs, directors’ emoluments, certain other income and finance costs. This measures reported to the chief operating decision makers for the purpose of resources allocation and performance assessment.

Information about major customers

Revenue from customers contributing over 10% of the total sales of the Group is mainly derived from the supply and procurement segment in both years. For the year ended 31 March 2015, there were three major customers, whose corresponding revenue did not contribute over 10% of total sales of the Group for the year ended 31 March 2014, contributing over 10% of the total sales amounting to approximately HK\$149,253,000, HK\$48,345,000 and HK\$38,557,000 respectively. For the year ended 31 March 2014, there were another three major customers, whose corresponding revenue did not contribute over 10% of total sales of the Group for the year ended 31 March 2015, contributing over 10% of the total sales amounting to approximately HK\$354,641,000, HK\$181,071,000 and HK\$171,416,000 respectively.

4. REVENUE, OTHER GAINS AND LOSSES

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts, income from provision of finance, and dividend and interest income from securities investments during the year.

An analysis of revenue, other gains and losses is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Revenue		
Sale of goods	269,013	1,352,328
Interest income from loan receivables	2,904	11,493
Dividend income on investment in listed equity securities	28,070	4,624
Interest income on investment in convertible bonds	713	743
Income from real estate	—	—
	<u>300,700</u>	<u>1,369,188</u>
	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Other gains and losses		
Impairment loss recognised in respect of other receivables	(1,626)	(2,075)
Impairment loss recognised in respect of trade and bills receivable, net	(390)	(258)
Net exchange (loss) gain	(940)	70
	<u>(2,956)</u>	<u>(2,263)</u>

5. FINANCE COSTS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Interest on:		
Notes payable not wholly repayable within five years (<i>Note 15</i>)	8,158	6,645
Borrowing wholly repayable within one year	2,266	—
	<u>10,424</u>	<u>6,645</u>

6. PROFIT BEFORE TAXATION

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Profit before taxation is arrived at after charging and (crediting):		
Staff costs (including directors' remuneration):		
Wages and salaries	11,570	19,085
Retirement benefits contributions	549	912
	<u>12,119</u>	<u>19,997</u>
Total staff costs		
	<u>12,119</u>	<u>19,997</u>
Auditor's remuneration	1,200	761
Cost of inventories sold	257,036	1,287,852
Depreciation of property, plant and equipment	567	1,027
Minimum lease payments in respect of land and buildings	4,372	3,344
Share based payment (included in other expenses)	38,975	–

7. TAXATION

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Current tax:		
Hong Kong Profits Tax	88	177
Over provision in prior years	(36)	(5)
	<u>52</u>	<u>172</u>
Deferred tax:		
Current year	64,293	(102)
	<u>64,345</u>	<u>70</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

8. DIVIDEND

The Board has distributed interim dividend by way of bonus issue of warrants to shareholders of the Company on the basis of one warrant for every five shares held. Each warrant entitles the holder to subscribe in cash for one new share at an initial subscription price of HK\$0.1. A total of 855,670,100 warrants were issued during the year ended 31 March 2015.

The Board does not recommend the payment of a final dividend for the year ended 31 March 2015 (2014: nil).

9. EARNINGS PER SHARE

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i> (restated)
Earnings for the purpose of basic and diluted earnings per share (profit for the year attributable to owners of the Company)	<u>487,057</u>	<u>417,083</u>
	2015 <i>'000</i>	2014 <i>'000</i>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	4,681,843	3,882,202
Effect of dilutive potential ordinary shares:		
Warrants	<u>22,236</u>	<u>38,926</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>4,704,079</u>	<u>3,921,128</u>

The weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share has been adjusted for bonus issue and open offer that took place on 8 September 2014 and 13 February 2015, respectively.

The computation of diluted earnings per share does not assume the exercise of the Company's outstanding share options as the exercise price of the share options was higher than the average market price for the year ended 2015.

10. TRADE AND BILLS RECEIVABLE

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Trade and bills receivable	<u>11,974</u>	<u>125,548</u>

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally for a period of one month, extending up to three to six months for major customers. Each customer has a maximum credit limit. Overdue balances are reviewed regularly by senior management. Trade and bills receivable are non-interest bearing.

An aged analysis of the trade and bills receivable at the end of the reporting periods, based on invoice date, and net of impairment, is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Within 30 days	–	–
31 to 60 days	1,555	–
61 to 90 days	–	77,554
91 to 180 days	–	47,994
Over 180 days	10,419	–
	<hr/>	<hr/>
Total	11,974	125,548
	<hr/>	<hr/>

Movement of impairment loss recognised:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Balance at the beginning of the year	–	–
Impairment loss recognised during the year	390	258
Amount written off during the year as uncollectible	–	(258)
	<hr/>	<hr/>
Balance at the end of the year	390	–
	<hr/>	<hr/>

During the year ended 31 March 2015, the Group recognised an impairment loss for trade and bills receivable of HK\$390,000 (2014: HK\$258,000) which was individually determined to be impaired. The individually impaired receivable was outstanding for more than one year at the end of the reporting period and was considered as uncollectible.

The aged analysis of the trade and bills receivable that are past due at the end of the reporting period but not impaired is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Overdue by:		
1 – 30 days	1,555	–
31 – 90 days	–	125,548
Over 90 days	10,419	–
	<hr/>	<hr/>
Total	11,974	125,548
	<hr/>	<hr/>

Trade and bills receivable that were neither past due nor impaired related to customers for whom there were no recent history of default. Based on past experience, the directors of the Company are of the opinion that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

At 31 March 2014, the Group discounted bills receivable amounted to HK\$119,355,000 to banks with full recourse and the corresponding amount was disclosed as bank advances for discounted bills on consolidated statement of financial position.

11. LOANS RECEIVABLE

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Loans receivable	130,000	52,233
Less: Impairment loss recognised (<i>Note</i>)	(10,000)	(10,000)
	<u>120,000</u>	<u>42,233</u>

Note: There is no movement in both years.

The range of effective interest rates (which are equal to contractual interest rates) on the Group's loans receivable is 8% (2014: 8% to 36%) per annum.

All loans receivable are recoverable within one year.

At the end of the reporting period, there is no loans receivable which are past due for which the Group has not provided for impairment loss.

12. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Held for trading:		
Equity securities listed in Hong Kong (<i>Note (a)</i>)	2,115,018	1,278,554
Designated as at FVTPL:		
Convertible bonds (<i>Note (b)</i>)	88,125	23,370
	<u>2,203,143</u>	<u>1,301,924</u>
Proceeds on sales of listed equity securities	(800,309)	(312,870)
Less: cost of sales based on weighted average method	813,701	293,915
Losses (gains) on disposal of investments in listed equity securities during the year	<u>13,392</u>	<u>(18,955)</u>

Notes:

- (a) The fair values of the listed equity securities investments were determined based on the quoted market closing bid prices available on the Stock Exchange.
- (b) At 31 March 2015, amount represents fair value of an investment in convertible notes issued by Up Energy Development Group Limited (“Up Energy”), a company listed on the Stock Exchange. The principal amount of the convertible notes is HK\$100,000,000, which can be converted to 133,333,333 ordinary shares of Up Energy at conversion price of HK\$0.75 per share from the inception date till the date which is five business days preceding the maturity date on 31 December 2018. The convertible notes carry interest at 5% per annum, payable semi-annually on 30 June and 31 December each calendar year. The convertible notes will be redeemed by Up Energy on maturity date at principal amount.

At 31 March 2014, amounts represent fair value of an investment in convertible notes issued by China Jinhai International Group Limited (“China Jinhai”), a company listed on the Stock Exchange. The principal amount of the convertible notes is HK\$41,250,000, which can be converted to 330,000,000 ordinary shares of China Jinhai at conversion price of HK\$0.125 per share from the inception date till the maturity date on 30 November 2016. The convertible notes carry interest at 2.5% per annum, to accrue from the effective date and is payable upon maturity. The convertible notes were converted during the year ended 31 March 2015.

13. TRADE AND BILLS PAYABLE

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Trade and bills payable	<u>2,590</u>	<u>9,030</u>

Trade and bills payable are non-interest bearing and are normally settled on 60 days term.

The following is an aged analysis of trade and bills payable presented based on invoice date, is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
61 to 90 days	–	5,147
91 to 180 days	–	2,339
Over 180 days	<u>2,590</u>	<u>1,544</u>
Total	<u>2,590</u>	<u>9,030</u>

14. BORROWING

The borrowing is secured by a marketable securities portfolio of approximately HK\$717,446,000 and bears floating interest rate ranging from 2.3% to 4.34% per annum.

15. NOTES PAYABLE

On 8 November 2012, the Company entered into a placing agreement with a placing agent (the “Placing Agent”), pursuant to which the Company agreed to place, through the Placing Agent, on a best effort basis, the notes up to an aggregate principal amount of HK\$100,000,000 to be issued by the Company in the denomination of HK\$10,000,000 each to independent third parties (the “Placing”). Details of the Placing were set out in the Company’s announcement dated 8 November 2012. The Placing was completed and the Company had issued placing notes in the aggregate principal amount of HK\$100,000,000. The placing notes carry interest at 5% per annum and are to be redeemed on the seventh anniversary from the respective issue dates of the placing notes.

During the year ended 31 March 2014, the Company further issued notes in the aggregate principal amount of HK\$50,000,000 to investors. The notes carry interest at 5% per annum and are to be redeemed on the seventh anniversary from the respective issue dates of the notes.

As at 31 March 2015, the aggregate principal amount of the notes payable was HK\$150,000,000 (2014: HK\$150,000,000).

The movement of the notes payable for the years ended 31 March 2015 and 2014 are set out below:

	2015	2014
	HK\$'000	HK\$'000
At the beginning of the year	145,717	95,097
Issue of the notes payable	<u>–</u>	<u>50,000</u>
	145,717	145,097
Interest charged at effective interest rate from 5% to 5.91% (2014: 5% to 5.91%) per annum (<i>Note 5</i>)	8,158	6,645
Interest paid	<u>(7,500)</u>	<u>(6,025)</u>
At the end of the year	<u>146,375</u>	<u>145,717</u>

16. EVENTS AFTER THE REPORTING PERIOD

As disclosed in the announcement of the Company dated 16 February 2015, Million Brilliance Limited (“Million Brilliance”), an indirect wholly-owned subsidiary of the Company entered into the conditional agreement with Qualipak Development Limited (“Qualipak Development”) pursuant to which Million Brilliance agreed to purchase sale shares in Empire New Assets Limited (“Empire New Assets”), a company incorporated in the British Virgin Islands, representing entire issued share capital of Empire New Assets, and assignment of the Loan of HK\$32,216,000 at a consideration of HK\$90,000,000. The consideration is satisfied by (i) HK\$10,100,000 payable in cash and (ii) HK\$79,900,000 payable by issue of 850,000,000 consideration shares in the Company. Empire New Assets is principally engaged in holding of property. The shares in Empire New Assets acquired are classified as property held for sale purposes for the Company and 850,000,000 shares were allotted under general mandate to the nominee of Qualipak Development. The acquisition of trading assets was completed on 20 May 2015. The trading assets were subsequently disposed to an independent third party at a consideration of HK\$95,000,000 on 24 June 2015. A trading profit of HK\$5,000,000 was recorded for the transaction of the acquisition and disposal of the trading assets.

On 17 March 2015, the Company and Willie International Holdings Limited (“Willie”), a company listed on the Stock Exchange, entered into a subscription agreement (the “Subscription Agreement”) to subscribe for 1,250,000,000 shares of Willie (the “Proposed Subscription”), at a total consideration of HK\$150,000,000, subject to the fulfillment of the agreed conditions, including but not limited to approvals from the Stock Exchange. Under the same agreement, the Company agreed to issue 1,500,000,000 shares of the Company (the “Proposed Issue”), subject to the fulfillment of the agreed conditions, including but not limited to approvals from the Stock Exchange and shareholders of the Company. The Proposed Subscription and the Proposed Issue are not inter-conditional with each other. On 28 April 2015, the Company and Willie entered into a supplemental agreement (the “Supplemental Agreement”) in relation to the Subscription Agreement, pursuant to which, the Company agreed to pay a sum of HK\$30,000,000 to Willie upon the signing of the Supplemental Agreement as non-refundable deposit and part payment of the Proposed Subscription; and in relation to the Proposed Issue, Willie agrees to pay a sum of HK\$30,000,000 to the Company upon the signing of the Supplemental Agreement as non-refundable deposit and part payment of the Proposed Issue. On 11 May 2015, the Company irrevocably agreed to nominate an independent third party (the “Investor”) and the Investor agreed to substitute the Company, to complete the Proposed Subscription; and the Investor shall pay an aggregate sum of HK\$80,000,000, of which HK\$30,000,000 representing the reimbursement of the non-refundable deposit paid by the Company to Willie under the Supplemental Agreement and the balance of HK\$50,000,000 representing the net profit to be received by the Company. In addition, the Company completed to issue 1,500,000,000 ordinary shares to Willie on 17 June 2015. Details are set out in the Company’s announcements dated 17 March 2015, 5 May 2015, 11 May 2015 and 17 June 2015.

As disclosed in the announcement of the Company dated 11 May 2015, on 6 May 2015, the Company and the majority shareholders of Skyway Futures Limited and Skyway Securities Investment Limited (the “Target Companies”) (the “Vendors 1”) entered into a sales and purchase agreement, pursuant to which the Company conditionally agreed to purchase and the Vendors 1 conditionally agreed to sell 81% equity interests in each of the Target Companies, at a total consideration of HK\$972,000,000. The Target Companies are corporations licensed under the Securities and Futures Ordinance and their principal activity is dealing in securities and future contracts. And further on 11 May 2015, the Company and the remaining shareholder of the Target Companies (the “Vendor 2”) entered into the a sales and purchase agreement, pursuant to which the Company conditionally agreed to purchase and Vendor 2 conditionally agreed to sell the remaining equity interests of 19% in each of the Target Companies, at a consideration of HK\$228,000,000. The transactions have not yet been completed up to the date of this announcement and are subject to shareholders’ approval.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 March 2015 (2014: nil).

OPERATIONS REVIEW

For the year ended 31 March 2015, the Group continued to engage in the businesses of securities investments, supply and procurement of commodities and provision of finance. A new business line of trading in real estate became one of the principal activities of the Group during the year.

Revenue

The Group's revenue decreased by 78.0% to approximately HK\$300.7 million compared to approximately HK\$1,369.2 million in the prior year. It was mainly due to the decrease in volume of metal minerals traded by the supply and procurement segment. The analysis of the Group's revenue by reportable segments is as below.

Supply and Procurement

The Group's supply and procurement segment continued to focus on the sourcing, transporting and supplying of metal minerals and recyclable metal materials during the year under review. When compared to last year, the segment recorded a 80.1% decrease in revenue to approximately HK\$269.0 million (2014: approximately HK\$1,352.3 million) and segment loss of approximately HK\$2.2 million which turned from a segment profit of approximately HK\$23.6 million in last year. The declines in the segment's revenue and profit were principally attributed to the decreased volume of metal minerals transacted during the year under review, which was in turn mainly a result of dropping in demand for building materials following the slowdown of property sector in the PRC.

Securities Investments

During the year under review, the segment revenue, which included dividend income from investment in listed equity securities, and interest income from investment in convertible bonds and interest bearing notes of approximately HK\$28.8 million increased by approximately 433.3% from approximately HK\$5.4 million as compared to the prior year.

As a whole, the segment profit of approximately HK\$625.2 million in the current year increased by 49.8% from approximately HK\$417.3 million in the prior year. The increase in profit was mainly attributable to:

- (1) net gains on investments at fair value through profit or loss of approximately HK\$596.4 million, increased by 44.8% from approximately HK\$411.9 million compared to the prior year; and
- (2) an increase in dividend income from investment in listed equity securities by approximately HK\$23.5 million, from approximately HK\$4.6 million to approximately HK\$28.1 million compared to the prior year.

At 31 March 2015, the Group's securities portfolio mainly constituted of listed equity securities in conglomerate company, pharmaceutical company, infrastructure company, property company, mining and resources company, industrial materials company, consumer electronics company, healthcare services company, agricultural machinery company, apparels and accessories company, automobile retailing company, financial services company, semiconductors company, and movies and entertainment company. There was no material change in the Group's securities portfolio except that it included the listed equity securities in banking company and construction company in last year.

Provision of Finance

The interest income and segment profit generated by the Group's financing segment dropped by 74.8% to approximately HK\$2.9 million (2014: approximately HK\$11.5 million) and 75.7% to approximately HK\$2.7 million (2014: approximately HK\$11.1 million) respectively comparing to the prior year. It was mainly due to the comparatively lower average amount of loans lent to borrowers and the decrease in number of borrowers. The loan portfolio held by the Group amounted to approximately HK\$120.0 million (2014: approximately HK\$42.2 million) at the year end.

Real Estate

No segment revenue (2014: nil) and segment loss of approximately HK\$0.03 million (2014: nil) were recorded during the year under review. As disclosed in the announcement of the Company dated 16 February 2015, a new business line of trading in real estate became one of the principal activities of the Group. The acquisition of trading asset as disclosed in the announcement of the Company dated 16 February 2015 was in line with the Company's new line of principal business of trading in real estate, whereby real estate will be acquired as stock for trading. At 31 March 2015, the above-mentioned acquisition of trading asset has not been completed.

Gross Profit

The Group's gross profit during the year under review was approximately HK\$32.0 million, which decreased by approximately HK\$7.7 million, as compared to approximately HK\$39.7 million in last year. The decrease was mainly due to the decrease in gross profit contributed by the supply and procurement segment and interest income from loan receivables during the year under review.

Results

For the year ended 31 March 2015, the Group recorded a profit attributable to owners of the Company of approximately HK\$487.1 million (2014: approximately HK\$417.1 million) and basic earnings per share of HK10.40 cents (2014: restated HK10.74 cents). The increase in the Group's results was mainly due to the substantial segment profit contributed by the securities investment segment amounting to approximately HK\$625.2 million (2014: approximately HK\$417.3 million).

FINANCIAL REVIEW

Liquidity, Financial Resources and Capital Structure

The Group primarily financed its operations with internally generated cash flows, borrowing, and by its internal resources and shareholder's equity.

At 31 March 2015 the Group had current assets of approximately HK\$2,370.2 million (2014: approximately HK\$1,865.0 million) and liquid assets comprising cash and short-term securities investments totaling approximately HK\$2,220.7 million (2014: approximately HK\$1,615.5 million) (excluding pledged bank deposits for trade facilities granted by banks). The Group's current ratio, calculated based on current assets of approximately HK\$2,370.2 million (2014: approximately HK\$1,865.0 million) over current liabilities of approximately HK\$179.6 million (2014: approximately HK\$145.3 million), was at a ratio of about 13.2 at the year end (2014: 12.8). The Group's accounts and bills receivable amounted to approximately HK\$12.0 million, dropped by 90.4% from last year (2014: approximately HK\$125.5 million) which was primarily due to the decrease of trade volume of the Group's supply and procurement business.

The Group's finance costs for the current year represented the effective interest on notes payable of approximately HK\$8.2 million (2014: approximately HK\$6.6 million) and interest on borrowing of approximately HK\$2.3 million (2014: nil). At 31 March 2015, the Company had long-term notes payable of approximately HK\$146.4 million (2014: HK\$145.7 million) and short-term borrowing of approximately HK\$158.1 million (2014: nil).

At the year end, equity attributable to owners of the Company amounted to approximately HK\$2,328.7 million (2014: approximately HK\$1,593.4 million).

At 31 March 2015, the Group's indebtedness comprised short-term borrowing and long-term notes payable totaling approximately HK\$304.5 million (2014: approximately HK\$265.1 million which comprised bank advance for discounted bills and long-term notes payable). The borrowing was denominated in Hong Kong Dollars, due within one year, and bore interests at floating rate. The Group's gearing ratio, calculated on the basis of total indebtedness divided by the sum of total indebtedness and equity attributable to the Company's owners, was at a low ratio of about 11.6% (2014: 14.3%). The notes payable were denominated in Hong Kong Dollars, due on the seventh anniversary from the respective issue dates of the notes, and bore interests at 5% fixed rate per annum. The bank advances for discounted bills were denominated in US dollars, due within one year, and bore interests at floating rates.

During the year, the Company decided to issue and allot bonus shares to shareholders of the Company as a return to the shareholders of the Company and an opportunity to allow the shareholders of the Company to participate in the business growth of the Company. As a result, a total number of 855,670,100 new shares were issued and allotted. On the capital structure of the Company, the Company completed a capital reorganization which comprised (i) a capital reduction of the Company's issued share capital by way of cancelling its paid up by HK\$0.09 on each issued shares of the Company and (ii) subdivided every authorized but unissued share of the Company into 10 new shares of the Company of HK\$0.01 at par value. As a result, the authorized share capital of the Company increased to 10.0 billion shares. The Company announced an interim dividend by way of bonus warrants on the basis of one warrant for every five shares held on the record date. As a result, a total of 855,670,100 warrants were issued at a subscription price of HK\$0.1 each. In February 2015, the Company completed an open offer. A total number of 2,139,175,251 new shares were issued at a subscription price of HK\$0.1 each offer share.

With the amount of liquid assets on hand, the management is of the view that the Group has sufficient financial resources to meet its ongoing operational requirements.

Foreign Currency Risk Management

The majority of the Group's assets are held in HK\$ with no material foreign exchange exposure. The Group's business has its overseas market, which alone accounts for approximately HK\$269.0 million of the Group's sales turnover. The management has chosen to adopt a more prudent sales policy by mainly accepting US dollars quoted sale orders, which in turn the management can maintain a stable currency exchange condition for normal trading business development. During the year under review, the directors are of the view that the Group's exposure to exchange rate risk is not material, and will continue to monitor it.

Pledge of Assets

At 31 March 2015, no bank deposits (2014: approximately HK\$21.1 million) were pledged to banks to secure for trade credit facilities granted to the Group.

At 31 March 2015, no bills receivable (2014: approximately HK\$119.8 million) were pledged to secure bank advances for discounted bills (2014: approximately HK\$119.4 million) granted to the Group.

At 31 March 2015, a revolving loan facility from a private bank was granted to the Group which was secured by the Group's marketable securities portfolio of approximately HK\$717.4 million (2014: nil). Under the revolving loan facility, a total amount of approximately HK\$158.1 million (2014: nil) was utilized.

Contingent Liability

At 31 March 2015, the Group had no significant contingent liability (2014: nil).

Capital Commitment

At 31 March 2015, the Group had no significant capital commitment (2014: nil).

HUMAN RESOURCES AND REMUNERATION POLICY

At 31 March 2015, the Group had about 20 (2014: 35) employees including directors. For the year under review, total staff costs, including directors' remuneration, was approximately HK\$12.1 million (2014: approximately HK\$20.0 million). Total staff costs decreased by 39.5% was mainly due to the decrease in headcount. Remuneration packages for employees and directors are structured by reference to market terms and individual competence, performance and experience. Benefits plans maintained by the Group include provident fund scheme, medical insurance, subsidised training programme, share option scheme and discretionary bonuses.

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

During the year ended 31 March 2015, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

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 directors of the Company. Having made specific enquiry with the Directors, all of them confirmed that they have complied with the required standards set out in the Model Code during the year ended 31 March 2015.

CORPORATE GOVERNANCE

The Company has complied with all the applicable provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 of the Listing Rules for the year ended 31 March 2015, except for the following deviations with reasons as explained:

The Board

Code Provision A.2.1

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

Deviation

Neither the Company’s Bye-laws nor Bermuda Act, 1986 contains any requirement as to the separation of these roles. Mr. Suen Yick Lun Philip, an executive director of the Company, appointed as Acting Chairman and redesignated as Managing Director of the Company on 3 March 2015. The Board is of the opinion that it is appropriate and in the best interests of the Company that should hold both offices. The Board believes that it is able to effectively monitor and assess management in a manner that properly protects and promotes the interests of shareholders. Nevertheless, the Nomination Committee of the Company is looking for a suitable candidate to act as Chairman of the Company.

Appointment of new directors

Code Provision A.4.1

Code provision A.4.1 of the CG Code stipulates that non-executive directors should be appointed for a specific term, subject to re-election.

Deviation

There has been a deviation from the code provision since the appointment of four independent non-executive directors of the Company, namely Dr. Leung Shiu Ki Albert, Ms. Chen Wei, Mr. Wong Yat Fai and Mr. Man Wai Chuen on 14 November 2014. They are not appointed for a specific term but shall retire from office by rotation at least once every three years as referred to in bye-law 87 of the Company's Bye-laws which provides that at each annual general meeting one-third of the directors of the Company for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance is no less exacting than those set out in the CG Code.

Responsibilities of directors

Code Provision A.6.7

Code provision A.6.7 of the CG Code stipulates that independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders.

Deviation

One independent non-executive director of the Company was unable to attend the special general meeting of the Company held on 14 August 2014 (the "SGM-1") and the annual general meeting of the Company held on 30 September 2014 (the "AGM") as he had other important business engagement. Four independent non-executive director of the Company were unable to attend the special general meeting of the Company held on 8 January 2015 (the "SGM-2"). However, there was already a half of the board of directors (including Independent Non-executive Directors) presented at each meeting to enable the Board to develop a balanced understanding of the views of shareholders of the Company.

Communication with shareholders

Code Provision E.1.2

Code provision E.1.2 of the CG Code stipulates that the chairman of the board should attend the annual general meeting.

Deviation

The Chairman of the Board was unable to attend the AGM, SGM-1 and SGM-2 as he had other important business engagements. However, Mr. Suen Yick Lun Philip, an executive director and the Company Secretary of the Company (now also as the Acting Chairman and Manager Director), had chaired the meeting in accordance with bye-law 63 of the Company's Bye-laws.

AUDIT COMMITTEE

The audited consolidated financial statements of the Company for the year ended 31 March 2015 have been reviewed by the Audit Committee of the Company before they are duly approved by the Board under the recommendation of the Audit Committee.

PROSPECTS

The Shanghai-Hong Kong Stock Connect Scheme (the "SH-HK Scheme") was launched in November 2014. The SH-HK Scheme provides a platform for Shenzhen-Hong Kong Connect Scheme (the "SZ-HK Scheme") which is expected to be launched in the second-half of 2015. The SH-HK Scheme offers some ideas on how to do better, more effective and allows the market to play a greater role in resource allocation. The introduction of SH-HK and SZ-HK Schemes may stimulate the financial market in near future. The Company will continuously focus on its core business of the Group, namely in securities investments and provision of finance. Also, the Company will continuously seek for any potential investments and business opportunities to enhance the value of the shareholders of the Company and the Company as a whole.

By Order of the Board

Suen Yick Lun Philip

Acting Chairman and Managing Director

Hong Kong, 26 June 2015

As at the date of this announcement, the Board comprises the following Directors:

Executive Directors:

Mr. Suen Yick Lun Philip

(Acting Chairman and Managing Director)

Mr. Lau King Hang

Mr. Kitchell Osman Bin

Independent Non-executive Directors:

Dr. Leung Shiu Ki Albert

Ms. Chen Wei

Mr. Wong Yat Fai

Mr. Man Wai Chuen

Mr. Wong Kwok Tai