



國藏集團有限公司
Guocang Group Limited

(Incorporated in Bermuda with limited liability)

INTERIM REPORT 2014/15

(香港聯合交易所上市編號 | HK Stock code : 559)



Corporate Information

DIRECTORS

Executive Directors

WONG Hin Shek (*Chairman*)

CHI Chi Hung, Kenneth

(*Chief Executive Officer*)

Independent Non-executive Directors

CHIU Wai On

MAN Kwok Leung

WONG Yun Kuen

COMPANY SECRETARY

CHI Chi Hung, Kenneth

REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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STOCK CODE

559

WEBSITE

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BERMUDA PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited

Level 22, Hopewell Centre

183 Queen's Road East

Hong Kong

AUDITOR

BDO Limited

LEGAL ADVISER

Michael Li & Co.

PRINCIPAL BANKS

Bank of Communications Co., Ltd.

Hang Seng Bank Limited

Standard Chartered Bank (Hong Kong)

Limited

The Bank of East Asia, Limited

The board of directors (the "Directors") of Guocang Group Limited (the "Company") hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 31 December 2014 as follows:

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 31 December 2014

	Notes	For the six months ended 31 December	
		2014 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)
Continuing operations			
Turnover	3	39,970	131,613
Cost of sales		(20,922)	(60,463)
Gross profit		19,048	71,150
Interest income		2,305	2,156
Other income		173	264
General and administrative expenses		(33,471)	(65,460)
Selling and distribution expenses		(1,540)	(3)
Finance costs	4	(8,478)	(1,169)
Reversal of impairment loss on loans receivable		300	-
Change in fair value of financial assets at fair value through profit or loss		(66,249)	61,267
Change in fair value of financial liabilities at fair value through profit or loss	17	(1,249)	18,572
(Loss)/profit before taxation	5	(89,161)	86,777
Taxation	6	-	(15,201)
(Loss)/profit for the period attributable to owners of the Company from continuing operations		(89,161)	71,576
Discontinued operations			
Profit for the period attributable to owners of the Company from discontinued operations	8	40,445	3,430
(Loss)/profit for the period attributable to owners of the Company		(48,716)	75,006

Condensed Consolidated Statement of Comprehensive Income (Continued)

For the six months ended 31 December 2014

		For the six months ended 31 December	
Notes	2014 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)	
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences arising on translation of foreign operations	(4,819)	1,680	
Release of exchange reserve to profit or loss upon disposal of subsidiaries	(35,890)	–	
Other comprehensive income for the period attributable to owners of the Company			
	(40,709)	1,680	
Total comprehensive income for the period attributable to owners of the Company			
	(89,425)	76,686	
(Loss)/earnings per share from continuing and discontinued operations:			
— Basic	(1.36) HK cents	2.09 HK cents	
— Diluted	N/A	2.03 HK cents	
(Loss)/earnings per share from continuing operations:			
— Basic	(2.49) HK cents	1.99 HK cents	
— Diluted	N/A	1.94 HK cents	
Earnings per share from discontinued operations:			
— Basic	1.13 HK cents	0.10 HK cent	
— Diluted	N/A	0.09 HK cent	

Condensed Consolidated Statement of Financial Position

As at 31 December 2014

		31 December 2014	30 June 2014
	Notes	HK\$'000 (Unaudited)	HK\$'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	10	2,836	87,022
Prepayments for acquisition of property, plant and equipment		–	582
Prepaid lease payments for land		–	9,762
Prepayments		4,403	2,370
Total non-current assets		7,239	99,736
Current assets			
Inventories		92,886	138,577
Trade receivables, other receivables, deposits and prepayments	11	321,280	197,605
Bills receivable	12	–	12,182
Loans receivable	13	138,977	65,610
Prepaid lease payments for land		–	248
Financial assets at fair value through profit or loss		76,857	85,489
Pledged deposits		74,947	121,534
Bank balances and cash		225,206	406,578
Total current assets		930,153	1,027,823

Condensed Consolidated Statement of Financial Position (Continued)

As at 31 December 2014

		31 December 2014	30 June 2014
	Notes	HK\$'000 (Unaudited)	HK\$'000 (Audited)
Current liabilities			
Trade payables, other advances and accruals	14	56,398	123,492
Bills payable	15	500	1,460
Borrowings	16	58,735	165,278
Tax payable		3,818	9,007
Financial liabilities at fair value through profit or loss	17	11,824	10,675
Total current liabilities		131,275	309,912
Net current assets		798,878	717,911
Total assets less current liabilities		806,117	817,647
Non-current liabilities			
Corporate bonds		148,026	69,526
Deferred tax liabilities		–	690
Total non-current liabilities		148,026	70,216
Net assets		658,091	747,431
EQUITY			
Share capital	18	179,731	179,721
Reserves		478,247	567,597
Equity attributable to owners of the Company		657,978	747,318
Non-controlling interests		113	113
Total equity		658,091	747,431

Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 December 2014

	Equity attributable to owners of the Company										
	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Exchange reserve HK\$'000	Statutory reserve fund HK\$'000	Special reserve HK\$'000	Share option reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 July 2013 (Audited)	179,721	610,635	340,932	36,961	16,900	(43,246)	49,999	(448,404)	743,498	113	743,611
Comprehensive income											
Profit for the period	-	-	-	-	-	-	-	75,006	75,006	-	75,006
Other comprehensive income											
Exchange differences arising on translation of foreign operations	-	-	-	1,680	-	-	-	-	1,680	-	1,680
Total comprehensive income for the period	-	-	-	1,680	-	-	-	75,006	76,686	-	76,686
Recognition of equity-settled share-based payments expense	-	-	-	-	-	-	44,530	-	44,530	-	44,530
Transfer to statutory reserve fund	-	-	-	-	4,561	-	-	(4,561)	-	-	-
At 31 December 2013 (Unaudited)	179,721	610,635	340,932	38,641	21,461	(43,246)	94,529	(377,959)	864,714	113	864,827
At 1 July 2014 (Audited)	179,721	610,635	340,932	37,527	16,900	(43,246)	78,038	(473,189)	747,318	113	747,431
Comprehensive income											
Loss for the period	-	-	-	-	-	-	-	(48,716)	(48,716)	-	(48,716)
Other comprehensive income											
Exchange differences arising on translation of foreign operations	-	-	-	(4,819)	-	-	-	-	(4,819)	-	(4,819)
Release of exchange reserve upon disposal of subsidiaries	-	-	-	(35,890)	-	-	-	-	(35,890)	-	(35,890)
Total comprehensive income for the period	-	-	-	(40,709)	-	-	-	(48,716)	(89,425)	-	(89,425)
Lapse of share options	-	-	-	-	-	-	(25)	25	-	-	-
Release of statutory reserve fund upon disposal of subsidiaries	-	-	-	-	(14,005)	-	-	14,005	-	-	-
Share issued upon exercise of share options	10	100	-	-	-	-	(25)	-	85	-	85
At 31 December 2014 (Unaudited)	179,731	610,735	340,932	(3,182)	2,895	(43,246)	77,988	(507,875)	657,978	113	658,091

Condensed Consolidated Statement of Cash Flows

For the six months ended 31 December 2014

	For the six months ended 31 December	
	2014	2013
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net cash used in operating activities of continuing and discontinued operations	(305,214)	(101,760)
Net cash generated from/(used in) investing activities of continuing and discontinued operations	105,919	(51,672)
Net cash generated from financing activities of continuing and discontinued operations	17,104	107,494
Net (decrease)/increase in cash and cash equivalents	(182,191)	(45,938)
Effect of foreign exchange rate changes	819	(386)
Cash and cash equivalents at the beginning of the period	406,578	328,249
Cash and cash equivalents at the end of the period	225,206	281,925
Analysis of the balances of cash and cash equivalents:		
Bank balances and cash	225,206	281,925

Notes to the Condensed Consolidated Financial Statements

For the six months ended 31 December 2014

1. BASIS OF PREPARATION

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

The unaudited condensed consolidated interim financial statements have been prepared under the historical cost basis except for certain financial instruments, which are measured at fair value.

These unaudited condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 30 June 2014. The accounting policies used in the unaudited condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group’s consolidated financial statements for the year ended 30 June 2014.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(a) Adoption of new/revised HKFRSs

In the current year, the Company and its subsidiaries (collectively referred to as the “Group”) has applied for the first time the following new standards, amendments and interpretations (“the new HKFRSs”) issued by the HKICPA, which are relevant to and effective for the Group’s consolidated financial statements for the annual period beginning on 1 July 2014:

Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment Entities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
HKFRSs (Amendments)	Annual Improvements 2011–2013 Cycle
HKFRSs (Amendments)	Annual Improvements 2010–2012 Cycle

The adoption of these amendments has no significant impact on the Group’s financial statements.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(a) Adoption of new/revised HKFRSs (Continued)

Amendments to HKAS 32 — Offsetting Financial Assets and Financial Liabilities

The amendments clarify the offsetting requirements by adding appliance guidance to HKAS 32 which clarifies when an entity “currently has a legally enforceable right to set off” and when a gross settlement mechanism is considered equivalent to net settlement. The adoption of the amendments will not have an impact on its financial position or performance as the Group has not offset financial instruments, nor has it entered into master netting arrangement or similar agreement which is subject to the presentation of HKAS 32.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) — Investment Entities

The amendments apply to a particular class of businesses that qualify as investment entities. An investment entity’s business purpose is to invest funds solely for returns from capital appreciation, investment income or both. It evaluates the performance of its investments on a fair value basis. Investment entities could include private equity organisations, venture capital organisations, pension funds and investment funds.

The amendments provide an exception to the consolidation requirements in HKFRS 10 Consolidated Financial Statements and require investment entities to measure particular subsidiaries at fair value through profit or loss rather than to consolidate them. The amendments also set out the disclosure requirements for investment entities.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group’s financial statements, have been issued, but are not yet effective and have not been early adopted by the Group:

Amendments to HKAS 27	Equity Method in Separate Financial Statements ¹
HKFRS 9 (2014)	Financial Instruments ³
HKFRS 15	Revenue from Contracts with Customers ²

¹ Effective for annual periods beginning on or after 1 January 2016

² Effective for annual periods beginning on or after 1 January 2017

³ Effective for annual periods beginning on or after 1 January 2018

Amendments to HKAS 27 — Equity Method in Separate Financial Statements

The amendments allow an entity to apply the equity method in accounting for its investments in subsidiaries, joint ventures and associates in its separate financial statements.

HKFRS 9 (2014) — Financial Instruments

HKFRS 9 (2014) adds to the existing HKFRS 9. HKFRS 9 (2014) introduces new impairment requirement for all financial assets that are not measured at fair value through profit or loss and amendments to the previously finalised classification and measurement requirements.

A new “expected loss” impairment model in HKFRS 9 (2014) replaces the “incurred loss” model in HKAS 39 Financial Instruments: Recognition and Measurement. For financial assets at amortised cost or fair value through other comprehensive income, an entity will now always recognise (at a minimum) 12 months of expected losses in profit or loss. For trade receivables, there is a practical expedient to calculate expected credit losses using a provision matrix based on historical loss patterns or customer bases.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(b) New/ revised HKFRSs that have been issued but are not yet effective (Continued)

HKFRS 9 (2014) — Financial Instruments (Continued)

HKFRS 9 (2014) also introduces additional application guidance to clarify the requirements for contractual cash flows of a financial asset to give rise to payments that are Solely Payments of Principal and Interest (SPPI), one of the two criteria that need to be met for an asset to be measured at amortised cost, which may result in additional financial assets being measured at amortised cost.

A third measurement category has also been added for debt instruments — fair value through other comprehensive income which applies to debt instruments that meet the SPPI contractual cash flow characteristic test.

HKFRS 15 — Revenue from Contracts with Customers

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. The five steps are as follows:

1. Identify the contract with the customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue when (or as) the entity satisfies a performance obligation

HKFRS 15 also introduces extensive qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing an uncertainty of revenue and cash flows arising from contracts with customers. An entity may adopt HKFRS 15 on a full retrospective basis. Alternatively, it may choose to adopt it prospectively from the date of initial application.

3. TURNOVER AND SEGMENT INFORMATION

Turnover, which is also revenue, represents the amounts received and receivable for goods sold to outside customers, dividend income on listed securities and interest income from loans receivable, net of returns and discounts and sales related taxes during the period.

(a) Reportable segments

The Group determines its operating segments based on the reports reviewed by the chief operating decision-makers that are used to make strategic decisions. The chief operating decision-maker has been identified as the Company's executive directors.

During the period, money lending services business becomes the reportable segment as a result of the growing importance of the money lending services business to the total revenue and assets of the Group. Certain comparatives in the segment information are re-presented accordingly during the period to conform to current period's presentation. The Group currently has three reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies as follows:

- (i) trading and distribution of liquor and wine;
- (ii) investments in listed securities; and
- (iii) provision of money lending services.

Central revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segments' results that are used by the chief operating decision-makers for assessment of segment performance.

3. TURNOVER AND SEGMENT INFORMATION (Continued)

(a) Reportable segments (Continued)

As disclosed in note 8 to the unaudited condensed consolidated interim financial statements, the Group has completed the disposal of the businesses of (i) manufacture and trading of cable and wires and (ii) manufacture and trading of copper rods on 25 November 2014. In accordance with HKFRS 5, the segments of (i) manufacture and trading of cable and wires and (ii) manufacture and trading of copper rods for the period ended 31 December 2014 and 2013 were presented as discontinued operations in the Group's unaudited condensed consolidated interim financial statements. Further details regarding the results of the discontinued operations are set out in note 8 to the unaudited condensed consolidated interim financial statements.

For the six months ended 31 December 2014

	Liquor and Wine HK\$'000 (Unaudited)	Investments in Listed Securities HK\$'000 (Unaudited)	Money Lending Services HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Segment revenue	32,757	2,034	5,179	39,970
Segment (loss)/profit	(13,705)	(64,234)	4,835	(73,104)
Unallocated corporate income				173
Unallocated corporate expenses				(8,808)
Interest income				2,305
Finance costs				(8,478)
Change in fair value of financial liabilities at fair value through profit or loss				(1,249)
Loss before taxation				(89,161)

3. TURNOVER AND SEGMENT INFORMATION (Continued)

(a) Reportable segments (Continued)

For the six months ended 31 December 2013

	Liquor and Wine HK\$'000 (Unaudited)	Investments in Listed Securities HK\$'000 (Unaudited)	Money Lending Services HK\$'000 (Unaudited) (Re-presented)	Total HK\$'000 (Unaudited) (Re-presented)
Segment revenue	129,950	1,663	1,421	133,034
Segment profit	52,460	62,925	1,055	116,440
Unallocated corporate income				602
Unallocated corporate expenses				(3,873)
Interest income				735
Finance costs				(1,169)
Share-based payments expense				(44,530)
Change in fair value of financial liabilities at fair value through profit or loss				18,572
Profit before taxation				86,777

As at 31 December 2014

	Liquor and Wine HK\$'000 (Unaudited)	Investments in Listed Securities HK\$'000 (Unaudited)	Money Lending Services HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Reportable segment assets	363,025	76,982	138,977	578,984
Reportable segment liabilities	113,536	139	60	113,735

3. TURNOVER AND SEGMENTAL INFORMATION (Continued)

(a) Reportable segments (Continued)

As at 30 June 2014

	Liquor and Wine HK\$'000 (Audited)	Investments in Listed Securities HK\$'000 (Audited)	Money Lending Services HK\$'000 (Unaudited) (Re-presented)	Total HK\$'000 (Unaudited) (Re-presented)
Reportable segment assets	434,569	321,546	65,610	821,725
Reportable segment liabilities	185,594	140	85	185,819

(b) Geographical segments

The Group's operations are located in Hong Kong (place of domicile) and the People's Republic of China (the "PRC"). The Group's revenue from external customers (including continuing and discontinued operations) and information about its non-current assets by geographical markets are detailed as below:

	Revenue from external customers (including continuing and discontinued operations)		Non-current assets	
	For the six months ended 31 December 2014 HK\$'000 (Unaudited) (Re-presented)	2013 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Unaudited)	30 June 2014 HK\$'000 (Audited)
Hong Kong (place of domicile)	7,213	3,084	7,179	5,876
PRC	167,923	323,893	60	93,860
	175,136	326,977	7,239	99,736

4. FINANCE COSTS

	For the six months ended 31 December	
	2014	2013
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Continuing operations		
Interest on bank loans wholly repayable within one year	3,708	1,169
Interest on corporate bonds	4,770	–
	8,478	1,169

5. (LOSS)/PROFIT BEFORE TAXATION

	For the six months ended 31 December	
	2014	2013
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Continuing operations		
(Loss)/profit before taxation is arrived at after charging:		
Amortisation of intangible assets	–	4,148
Depreciation of property, plant and equipment	698	832
Share-based payments expense	–	44,530

6. TAXATION

		For the six months ended 31 December	
		2014	2013
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)

Continuing operations

PRC enterprise income tax ("EIT") for
the period

– 15,201

Hong Kong profit tax was provided at the rate of 16.5% on the estimated assessable profit arising in Hong Kong for both the six months ended 31 December 2014 and 2013. No provision for Hong Kong profits tax has been made for the current and prior periods as the Group has no assessable profits arising in Hong Kong.

The subsidiaries established in the PRC are subject to EIT at tax rates of 25% for both the six months ended 31 December 2014 and 2013.

7. DIVIDEND

The directors do not recommend the payment of any interim dividend for the six months ended 31 December 2014 (six months ended 31 December 2013: Nil).

8. DISCONTINUED OPERATIONS

On 24 July 2014, the Group entered into an agreement to dispose of its 100% interest in Hua Yi Copper (BVI) Company Limited and its subsidiaries ("Hua Yi Group"), which carried out copper rods and cable and wires businesses. The disposal was effected for the management of the Group to focus on the Group's other principal businesses. The disposal was completed on 25 November 2014 on which date control of Hua Yi Group was passed to acquirer.

8. DISCONTINUED OPERATIONS (Continued)

The profit for the six months ended 31 December 2014 and 2013 from discontinued operations is analysed as follows:

	For the six months ended 31 December	
	2014	2013
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Turnover	135,166	193,943
Cost of sales	(126,178)	(183,553)
Gross profit	8,988	10,390
Other income	97	1,681
General and administrative expenses	(5,798)	(5,412)
Selling and distribution expenses	(1,558)	(1,532)
Finance costs	(1,947)	(1,250)
(Loss)/profit before taxation	(218)	3,877
Gain on disposal of Hua Yi Group	43,159	–
Taxation	(2,496)	(447)
Profit for the period	40,445	3,430

8. DISCONTINUED OPERATIONS (Continued)

An analysis of the Group's gain on disposal of Hua Yi Group for the six months ended 31 December 2014 is as follows:

	HK\$'000 (Unaudited)
Net assets disposed of:	
Property, plant and equipment	77,218
Prepaid lease payment for land	9,827
Bank balances and cash	6,106
Trade receivables, other receivables, deposits and prepayments	90,874
Bills receivable	17,949
Inventories	24,349
Trade payables, other advances and accruals	(51,747)
Borrowings	(44,972)
Deferred tax liabilities	(673)
	<hr/>
Net assets disposed of	128,931
Less: Release of exchange reserve to profit or loss upon disposal	(35,890)
	<hr/>
	93,041
Less: Proceeds from disposal of Hua Yi Group	(136,200)
	<hr/>
Gain on disposal of Hua Yi Group	43,159

The cash consideration of HK\$136,200,000 from the disposal of Hua Yi Group has been fully received by the Group during the period.

9. (LOSS)/EARNINGS PER SHARE

The calculation of basic (loss)/earnings per share amount is based on the (loss)/profit for the period attributable to owners of the Company and the weighted average number of ordinary shares in issue during the period.

The calculation of diluted (loss)/earnings per share amount is based on the (loss)/profit for the period attributable to owners of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic (loss)/earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculation of the basic and diluted (loss)/earnings per share is based on the following data:

	For the six months ended 31 December	
	2014	2013
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
(Loss)/profit attributable to owners of the Company for the purpose of basic and diluted (loss)/earnings per share:		
— from continuing operations	(89,161)	71,576
— from discontinued operations	40,445	3,430
Total (loss)/profit from continuing and discontinued operations	(48,716)	75,006

9. (LOSS)/EARNINGS PER SHARE (Continued)

The weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share for the six months ended 31 December 2014 was 3,594,447,000. Diluted loss per share amount for the six months ended 31 December 2014 was not presented because the impact of the exercise of the share options and convertible preference shares was anti-dilutive. Potential ordinary shares are dilutive when and only when their conversion into ordinary shares would increase loss per share attributable to owners of the Company.

	For the six months ended 31 December 2013 '000 (Unaudited)
For continuing and discontinued operations	
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	3,594,414
Effect of diluted potential ordinary shares	107,590
Weighted average number of ordinary shares for the purpose of diluted (loss)/earnings per share	3,702,004

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2014, the Group has disposed of the property, plant and equipment through the disposal of Hua Yi Group (disclosed in note 8 to the unaudited condensed consolidated interim financial statements) that with an aggregate carrying amount of approximately HK\$77,218,000. For continuing operations, the Group did not acquire any property, plant and equipment during the six months ended 31 December 2014 (six months ended 31 December 2013: HK\$24,000).

As at 31 December 2014, the Group did not pledge any building to secure banking facilities of the Group.

The building pledged at 30 June 2014 with a carrying amount of HK\$33,879,000 was transferred through the disposal of Hua Yi Group completed on 25 November 2014 (disclosed in note 8 to the unaudited condensed consolidated interim financial statements).

11. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Included in the Group's trade receivables, other receivables, deposits and prepayments were trade receivables of HK\$76,840,000 (30 June 2014: HK\$85,124,000). The Group allows an average credit period of 0 to 90 days to its trade receivables.

	31 December 2014 HK\$'000 (Unaudited)	30 June 2014 HK\$'000 (Audited)
Trade receivables	108,980	113,507
Less: Provision for impairment loss	(32,140)	(28,383)
	<hr/>	<hr/>
Trade receivables, net	76,840	85,124

The aging analysis of trade receivables, net of allowance for doubtful debts, based on invoice date, is as follows:

	31 December 2014 HK\$'000 (Unaudited)	30 June 2014 HK\$'000 (Audited)
Within 30 days	5,048	41,635
31–60 days	–	24,039
61–90 days	–	14,930
Over 90 days	71,792	4,520
	<hr/>	<hr/>
	76,840	85,124

12. BILLS RECEIVABLE

As at 30 June 2014, all bills receivable are aged within 180 days.

13. LOANS RECEIVABLE

	31 December 2014 HK\$'000 (Unaudited)	30 June 2014 HK\$'000 (Audited)
Gross loans and interest receivables	148,053	74,986
Less: Provision for impairment loss	(9,076)	(9,376)
	138,977	65,610

As at 31 December 2014, there were seven (30 June 2014: three) loans receivable with gross principal amount of HK\$145,976,000 (30 June 2014: HK\$73,650,000) in aggregate and related gross interest receivables of HK\$2,077,000 (30 June 2014: HK\$1,336,000) due from the borrowers. These loans are interest-bearing at rates ranging from 7% to 12% (30 June 2014: 5% to 15%) per annum. All the loans were repayable within twelve months from the end of the reporting period and therefore were classified as current assets as at 31 December 2014 and 30 June 2014.

14. TRADE PAYABLES, OTHER ADVANCES AND ACCRUALS

Included in the Group's trade payables, other advances and accruals were trade payables of HK\$1,741,000 (30 June 2014: HK\$11,005,000).

The aging analysis of these trade payables, based on invoice date, is as follows:

	31 December 2014 HK\$'000 (Unaudited)	30 June 2014 HK\$'000 (Audited)
Within 30 days	485	3,467
31–60 days	–	3,173
61–90 days	–	1,930
Over 90 days	1,256	2,435
	1,741	11,005

15. BILLS PAYABLE

As at 31 December 2014 and 30 June 2014, all bills payable are aged within 180 days and secured by bank deposits. Details of the assets pledged are set out in note 19 to the unaudited condensed consolidated interim financial statements.

16. BORROWINGS

	31 December 2014 HK\$'000 (Unaudited)	30 June 2014 HK\$'000 (Audited)
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Borrowings due within one year
are analysed as follows:

Bank loans, secured	58,735	165,278
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The average effective interest rates of the bank loans range from 6.9% to 7.5% (30 June 2014: 5% to 7.5%) per annum.

Details of the assets pledged for the Group's borrowings are set out in note 19 to the unaudited condensed consolidated interim financial statements.

17. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2014 HK\$'000 (Unaudited)	30 June 2014 HK\$'000 (Audited)
Copper futures contracts (Note (i))	–	100
Contingent share consideration payable (Note (ii))	11,824	10,575
	11,824	10,675

Notes:

- (i) As at 30 June 2014, there was an outstanding copper futures contract of the Group with fair value of approximately HK\$100,000 in Hua Yi Group.

17. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Notes: (Continued)

- (ii) In 2013, the Company issued 1,238,095,000 convertible preference shares as the consideration for the business combination of its trading and distribution of liquor and wine business. Convertible preference share of notional value of HK\$0.21 each shall be convertible into one new ordinary share, subject to adjustments in the customary manner, including share consolidations, share subdivision, capitalisation issues, capital distributions, rights issues and issues of other securities for cash. Before meeting the profit target, those convertible preference shares had not yet been released to the vendor and had been deposited with the escrow agent. The convertible preference shares are non-redeemable and not listed on any stock exchange.

The number of the convertible preference shares to be released to the vendor is subject to the downward adjustment. The fair value loss of contingent share consideration payable during the six months ended 31 December 2014 amounted to HK\$1,249,000 (six months ended 31 December 2013: fair value gain of HK\$18,572,000), which has been recognised in the condensed consolidated statement of comprehensive income.

18. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
Ordinary shares of HK\$0.05 each at 30 June 2014 and 31 December 2014		
Authorised:		
As at 30 June 2014 and 31 December 2014	30,000,000	1,500,000
Issued and fully paid:		
As at 1 July 2014 (Unaudited)	3,594,414	179,721
Arising from issue of ordinary shares on exercise of share options during the period	200	10
As at 31 December 2014 (Unaudited)	3,594,614	179,731

19. PLEDGE OF ASSETS

As at 31 December 2014 and 30 June 2014, the Group had pledged the following assets to secure general banking facilities granted to the Group. The carrying amounts of these assets are analysed as follows:

	31 December 2014 HK\$'000 (Unaudited)	30 June 2014 HK\$'000 (Audited)
Bank deposits	74,947	121,534
Property, plant and equipment	–	33,879
Prepaid lease payments for land	–	10,010
	74,947	165,423

20. LEASE COMMITMENTS

The Group as lessee

As at the end of reporting period, the Group had commitment for future minimum lease payments under non-cancellable operating lease in respect of office premises which fall due as follows:

	31 December 2014 HK\$'000 (Unaudited)	30 June 2014 HK\$'000 (Audited)
Within one year	8,071	5,174
In the second to fifth years inclusive	9,832	5,847
	17,903	11,021

Lease was negotiated for a term of three to five years and rentals are fixed for such period. None of the leases include contingent rentals.

21. CAPITAL COMMITMENTS

	31 December	30 June
	2014	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Capital expenditure contracted but not provided for:		
— acquisition of property, plant and equipment	787	640

22. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in these unaudited condensed consolidated interim financial statements, the following transaction was carried out with a related party in normal course of the Group's business:

	For the six months ended 31 December	
	2014	2013
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Continuing operations		
Corporate service fee	300	240

Corporate service fee was paid to a related company which is controlled by a director of the Company.

Compensation of key management

The key management of the Group comprises all directors of the Company. The short-term benefits including the share-based payments were HK\$2,250,000 for the six months ended 31 December 2014 (six months ended 31 December 2013: HK\$1,538,000).



23. EVENTS AFTER REPORTING PERIOD

On 4 February 2015, the Company entered into a sale and purchase agreement (the “SPA”) with Mr. Yam Tak Cheung (“Mr. Yam”) as vendor and Mr. He Yumin (“Mr. He”) as executive. Both Mr. Yam and Mr. He are independent third parties of the Group. Pursuant to the SPA, (i) the Company has conditionally agreed to acquire and Mr. Yam has conditionally agreed to sell the entire issued share capital of Green Flourish Enterprises Limited (“Green Flourish”) and all the liabilities, loans and obligations owing by Green Flourish and its subsidiaries at completion in an aggregate consideration of HK\$193,777,200, which shall be satisfied to Mr. Yam by allotment and issue of 538,270,000 shares at an issue price of HK\$0.36 per share at completion; and (ii) Mr. He has agreed to enter into a services agreement with a company to be established as a wholly foreign-owned enterprise in the PRC pursuant to the terms and conditions of the SPA at completion.

Details of the transaction are set out in the Company’s announcement dated 4 February 2015.

Management Discussion and Analysis

FINANCIAL RESULTS AND BUSINESS REVIEW

The Group is currently engaged in three business segments, (i) liquor and wine business; (ii) investments in listed securities; and (iii) money lending services. For the six months ended 31 December 2014, the Group recorded a turnover of approximately HK\$40.0 million (six months ended 31 December 2013: approximately HK\$131.6 million). Loss attributable to owners of the Company was approximately HK\$48.7 million (six months ended 31 December 2013: profit of approximately HK\$75.0 million). Basic loss per share was approximately 1.36 HK cents (six months ended 31 December 2013: basic and diluted earnings per share were 2.09 HK cents and 2.03 HK cents respectively). The loss was mainly attributable to (i) decrease in turnover and gross profit margin of liquor and wine business; and (ii) loss on fair value change of financial assets at fair value through profit or loss.

On 25 November 2014, the Group has disposed of Hua Yi Copper (BVI) Company Limited and its subsidiaries (the “Discontinued Operations”) which engaged in copper rods business and cable and wires business. The Discontinued Operations recorded a profit for the six months ended 31 December 2014 of approximately HK\$40.4 million (six months ended 31 December 2013: approximately HK\$3.4 million). Upon the disposal, the Group recorded a gain of approximately HK\$43.2 million which included in the profit for the six months ended 31 December 2014. The Group will further utilize its existing resources in the development of other segments.

Liquor and wine business

The turnover for the six months ended 31 December 2014 of the liquor and wine business dropped by approximately HK\$97.2 million to approximately HK\$32.8 million (six months ended 31 December 2013: approximately HK\$130.0 million) and a segment loss of approximately HK\$13.7 million was recorded for the six months ended 31 December 2014 (six months ended 31 December 2013: profit of approximately HK\$52.5 million). The decline in turnover and results was mainly due to the economic slowdown in Mainland China and the continuous enforcement of frugality policies by the Chinese government which resulted in dramatic drop of overall market demand in liquor and wine.

Listed securities investments

As at 31 December 2014, the Group managed a portfolio of listed securities with fair value of approximately HK\$76.9 million (30 June 2014: approximately HK\$85.5 million). The Group recorded a loss on fair value change of approximately HK\$66.2 million for the six months ended 31 December 2014 (six months ended 31 December 2013: gain on fair value change of approximately HK\$61.3 million). The loss was mainly due to unfavorable performance of listed securities.

Money lending services

As at 31 December 2014, the Group has seven loans receivable with gross principal amount of approximately HK\$146.0 million (30 June 2014: approximately HK\$73.7 million). The Group recorded interest income from loans receivable of approximately HK\$2.1 million for the six months ended 31 December 2014 (six months ended 31 December 2013: approximately HK\$1.3 million). The increase in interest income was mainly due to the increase in number of loans receivable and principal amount.

INTERIM DIVIDEND

The Directors do not recommend to pay any interim dividend for the six months ended 31 December 2014 (six months ended 31 December 2013: Nil).

FINANCIAL RESOURCES, LIQUIDITY AND GEARING

As at 31 December 2014, the Group recorded cash and bank balances amounting to approximately HK\$225.2 million (30 June 2014: approximately HK\$406.6 million) and the net current assets value was approximately HK\$798.9 million (30 June 2014: approximately HK\$717.9 million).

The Group's gearing ratio as at 31 December 2014 was approximately 0.33 (30 June 2014: approximately 0.33), being a ratio of total debts, including bills payable, borrowings, corporate bonds and contingent share consideration payable under financial liabilities of approximately HK\$219.1 million (30 June 2014: approximately HK\$246.9 million) to the total equity of approximately HK\$658.1 million (30 June 2014: approximately HK\$747.4 million).

As at 31 December 2014, the Group's issued 3-year 8% and 10% coupon unlisted corporate bonds with the aggregate principal amount of approximately HK\$67 million and HK\$84.5 million (30 June 2014: approximately HK\$15.5 million and HK\$57.5 million) respectively. The bonds are guaranteed by the Company.

PLEDGE OF ASSETS

As at 31 December 2014, the Group had pledged certain bank deposits with aggregate carrying amount of approximately HK\$74.9 million to secure general banking facilities granted to the Group.

As at 30 June 2014, the Group had pledged certain property, plant and equipment, prepaid lease payments for land and bank deposits with aggregate carrying amount of approximately HK\$165.4 million to secure general banking facilities granted to the Group.

CAPITAL STRUCTURE

On 4 December 2014, 200,000 ordinary shares of HK\$0.05 each in the capital of the Company were issued upon exercise of share options granted on 4 July 2013.

Save as disclosed above, the Company had no other changes in capital structure during the six months ended 31 December 2014.

INVESTMENT POSITION AND PLANNING

During the six months ended 31 December 2014, the Group did not acquire any property, plant and equipment (six months ended 31 December 2013: HK\$24 thousands).

On 25 November 2014, the Group completed to dispose of its entire interest in Hua Yi Copper (BVI) Company Limited and its subsidiaries, which carried out copper rods and cable and wires businesses, to an independent third party at cash consideration of HK\$136.2 million. Upon the disposal, the Group's resources were reallocated to other principal businesses.

On 5 September 2014, Noble Advantage Limited, a direct wholly-owned subsidiary of the Company entered into a non-legally binding memorandum of understanding (the "CB MOU") with Integrated Capital Investments Limited (the "Issuer"), an independent third party of the Group, in connection with a possible subscription of 3-year 2% coupon convertible bonds issued in the principal amount of HK\$450 million. Pursuant to the terms of the CB MOU, the parties to the CB MOU shall negotiate in good faith towards one another in ensuring that a legally-binding formal subscription agreement will be entered into on or before 4 March 2015. A refundable deposit of HK\$180 million has been paid in cash to the Issuer upon signing of the CB MOU. The Issuer has a direct wholly-owned subsidiary which engaged in the operation of resort in Niseko, Hokkaido, Japan. Niseko is one of the renowned ski resort areas in the world and well-known for its heavy light powder snow and spectacular backcountry. Given the increasing trend in tourism in Japan, the possible subscription gives a unique chance to the Group to seek investment opportunity in hotel and resort sector in Japan.



On 12 December 2014, the Company, Mr. Choi Chiu Fai Stanley and Solar Power, Inc. (Mr. Choi Chiu Fai Stanley and Solar Power, Inc. collectively referred to as the “Subscribers”) entered into a memorandum of understanding (the “Subscription MOU”), pursuant to which the Company has agreed to allot and issue, at the subscription price of approximately HK\$0.03135 per share, an aggregate of 38,277,511,960 shares to the Subscribers. Both the Subscribers are independent third party to the Group. The total amount of the possible subscription would be HK\$1,200 million and the net proceeds of which would be applied for the development of the solar energy business which the Group considered to be of high growth potential. Pursuant to the terms of the Subscription MOU, the parties to the Subscription MOU shall negotiate in good faith towards one another in ensuring that a formal subscription agreement will be entered into on or before 12 March 2015.

Save as disclosed above, the Group did not have any other significant investment and there were no other material acquisition or disposal of subsidiaries and associated company for the six months ended 31 December 2014.

CONTINGENT LIABILITIES

As at 31 December 2014, the Group had no significant contingent liabilities (30 June 2014: Nil).

CAPITAL COMMITMENTS

The Group had capital commitments, which are contracted but not provided for, in respect of acquisition of plant and machinery amounting to approximately HK\$0.8 million (30 June 2014: approximately HK\$0.6 million).

FOREIGN EXCHANGE EXPOSURE

Most of the Group’s assets and liabilities are denominated in Hong Kong dollars and Renminbi, which are the functional currencies of respective group companies. The Group has not entered into any instruments on the foreign exchange exposure. The Group will closely monitor exchange rate movement and will take appropriate activities to reduce the foreign exchange risk.

EVENTS AFTER REPORTING PERIOD

On 4 February 2015, the Company as purchaser entered into a sale and purchase agreement (the “SPA”) with Mr. Yam Tak Cheung (“Mr. Yam”) as vendor and Mr. He Yumin (“Mr. He”) as executive. Both Mr. Yam and Mr. He are independent third parties of the Group. Pursuant to the SPA, (i) the Company has conditionally

agreed to acquire and Mr. Yam has conditionally agreed to sell the entire issued share capital of Green Flourish Enterprises Limited (“Green Flourish”) and all the liabilities, loans and obligations owing by Green Flourish and its subsidiaries at completion in an aggregate consideration of HK\$193,777,200, which shall be satisfied to Mr. Yam by allotment and issue of 538,270,000 shares at an issue price of HK\$0.36 per share at completion; and (ii) Mr. He has agreed to enter into a services agreement with a company to be established as a wholly foreign-owned enterprise in the PRC pursuant to the terms and conditions of the SPA at completion. Details of the transaction are set out in the Company’s announcement dated 4 February 2015.

On 21 January 2015, the Board granted 359,000,000 share options to the eligible participants as defined in the share option scheme adopted by the Company on 13 December 2013 at the exercise price of HK\$0.32 per share.

PROSPECTS

The liquor and wine business will continue to face challenges in the near futures. The Group will continue the collaboration with various well-known liquor and wine manufacturers to explore other new liquor and wine products, including but not limited to import wine, and increase its publicity.

Due to increasing global awareness of environmental concerns, especially in the PRC, the Group considers the future opportunity lies within new energy sector. On 12 December 2014, the Company, Mr. Choi Chiu Fai Stanley and Solar Power, Inc. entered into the Subscription MOU with gross subscription amount of HK\$1,200 million. The net proceeds will be applied for the development of the solar energy business.

Furthermore, on 4 February 2015, the Company entered into the SPA between Mr. Yam and Mr. He in relation to the acquisition of Green Flourish and its subsidiaries which intended to be principally engaged in new energy business, including but not limited to electric vehicle business. The acquisition enables the Group to further expand its business portfolio into the new energy sector. Mr. He has extensive experience in automotive and new energy industry. The Group is confident that Mr. He will continue his success and provide executive leadership throughout all business functions.



The Group foresees a good prospect with high and sustainable growth within the new energy sector and the recent engagements have demonstrated the Group's commitment towards clean energy and to be one of the leading companies in the industry.

Looking ahead, the Group will continue to cautious in its investment approach on listed securities investments, closely monitor the money lending services and trading and distribution of liquor and wine business and seize other growth opportunities to enhance competitiveness to strive for the best return to the shareholders.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2014, the Group had approximately 25 (30 June 2014: approximately 480) employees in Hong Kong and the PRC. The decrease on number of employees was due to the disposal of Discontinued Operations during the period under review. The Group's remuneration policy is reviewed periodically and determined by reference to market terms, company performance and individual qualifications and performance. Other staff benefits include bonuses awarded on a discretionary basis, medical schemes, mandatory provident fund scheme for Hong Kong employees, and state-sponsored retirement plans for the PRC employees and share option scheme.

CONNECTED TRANSACTIONS

For the six months ended 31 December 2014, the Company did not have any connected transactions which were subject to the reporting requirements under Chapter 14A of the Listing Rules.

Corporate Governance and Other Information

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES OF THE COMPANY

As at 31 December 2014, the interests and short positions of Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); to be entered in the register pursuant to Section 352 of the SFO; or to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules, were as follows:

Long positions in the shares and underlying shares of the Company

Name of Directors	Capacity	Number of shares	Number of underlying shares	Total number of shares and underlying shares	Percentage of issued share capital
Mr. Wong Hin Shek	Beneficial owner	-	29,900,000	29,900,000	0.83%
Mr. Chi Chi Hung, Kenneth	Beneficial owner	23,000,000	-	23,000,000	0.64%

Save as disclosed above as at 31 December 2014, none of the Directors and chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be 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 they would be taken or deemed to have under such provisions of the SFO); to be recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO; or to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SECURITIES OF THE COMPANY

As at 31 December 2014, so far as was known to the Directors or chief executive of the Company based on the register maintained by the Company pursuant to Part XV of the SFO, the following persons (other than the Directors or chief executive of the Company) had an interest or short positions in the shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO or to be recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO and were directly or indirectly interest in 5% or more of the nominal value of any class of share capital carrying rights to vote on all circumstances at general meeting of any other members of the Group were as follows:

Long positions in the shares or underlying shares of the Company

Name of substantial shareholders	Capacity	Number of shares	Number of underlying shares	Total number of shares and underlying shares	Percentage of issued share capital
Goldsure Limited (Note 1)	Beneficial owner	-	1,238,095,238	1,238,095,238	34.44%
Mr. Tang Tong (Note 1)	Interest of controlled corporation	-	1,238,095,238	1,238,095,238	34.44%
Intense Rise Holdings Limited (Note 2)	Beneficial owner	870,007,125	-	870,007,125	24.20%
Mr. Choy Shiu Tim (Note 2)	Beneficial owner & Interest of controlled corporation	1,050,007,125	-	1,050,007,125	29.21%
Wise Profit Group Limited (Note 3)	Beneficial owner	418,210,000	-	418,210,000	11.63%
Mr. Wong Yat Fai (Note 3)	Beneficial owner & Interest of controlled corporation	420,850,000	-	420,850,000	11.71%

Notes:

1. The 1,238,095,238 convertible preference shares are held by Goldsure Limited, which is wholly-owned by Mr. Tang Tong. Thus, he is deemed to be interested in the 1,238,095,238 convertible preference shares held by Goldsure Limited pursuant to the SFO.
2. The 870,007,125 shares out of the 1,050,007,125 shares are held by Intense Rise Holdings Limited, which is wholly-owned by Mr. Choy Shiu Tim. Thus, he is deemed to be interested in the 870,007,125 shares held by Intense Rise Holdings Limited pursuant to the SFO.
3. The 418,210,000 shares out of the 420,850,000 shares are held by Wise Profit Group Limited, which is wholly-owned by Mr. Wong Yat Fai. Thus, he is deemed to be interested in the 418,210,000 shares held by Wise Profit Group Limited pursuant to the SFO.
4. The percentage is calculated on the basis of 3,594,613,900 shares in issue as at 31 December 2014.

Save as disclosed above, as at 31 December 2014, so far as was known to the Directors or chief executive of the Company based on the register maintained by the Company pursuant to Part XV of the SFO, no person (other than the Directors or chief executive of the Company) had any interests or short positions in the shares or underlying shares would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or to be recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO.

CHANGES IN INFORMATION OF DIRECTORS

Pursuant to disclosure requirement under Rule 13.51B(1) of the Listing Rules, the changes in information of Directors are set out below:

Name of Director	Details of changes
Chi Chi Hung, Kenneth	was re-designated from executive director to non-executive director of China Sandi Holdings Limited (stock code: 910) with effect from 31 January 2015.
Man Kwok Leung	resigned as an independent non-executive director of Kong Sun Holdings Limited (stock code: 295) with effect from the close of business on 30 September 2014.
Wong Yun Kuen	was appointed as an independent non-executive director of Far East Holdings International Limited (stock code: 36) with effect from 1 December 2014. resigned as an independent non-executive director of Kong Sun Holdings Limited (stock code: 295) with effect from 7 November 2014 and Harmony Asset Limited (stock code: 428) with effect from 1 January 2015.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed above and in note 22 to the financial statements, no Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any its subsidiaries was a party during the period.

SHARE OPTION SCHEME

A new share option scheme was adopted by the Company on 13 December 2013 (the “New Share Option Scheme”), which replaced its old share option scheme adopted on 4 December 2003 (the “Old Share Option Scheme”). From the adoption date of the New Share Option Scheme up to 31 December 2014, there were no share option granted under the New Share Option Scheme. Movements in the Old Share Option Scheme for the six months ended 31 December 2014 are as follows:

For the six months ended 31 December 2014

Capacity	Date of grant	Exercisable period	Vesting period	Exercise price HK\$	Outstanding at 1.7.2014	Number of share options			Outstanding at 31.12.2014
						Granted during the period	Exercised during the period	Lapsed during the period	
Other eligible persons	11 October 2012	12 October 2012 to 11 October 2015	Immediate on the grant date	0.255	269,100,000	-	-	-	269,100,000
Director — Mr. Wong Hin Shek	11 October 2012	12 October 2012 to 11 October 2015	Immediate on the grant date	0.255	29,900,000	-	-	-	29,900,000
Other eligible persons	4 July 2013	4 July 2013 to 3 July 2018	Immediate on the grant date	0.435	259,400,000	-	(200,000)	(200,000)	259,000,000
Other eligible persons	19 July 2013	19 July 2013 to 18 July 2018	Immediate on the grant date	0.433	100,000,000	-	-	-	100,000,000
Total					658,400,000	-	(200,000)	(200,000)	658,000,000

DIRECTORS’ RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the heading “Directors’ and Chief Executive’s Interests in Securities of the Company” and “Share Option Scheme” above, at no time during the period was rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, or was any such rights exercised by them; or was the Company and any of its subsidiaries a party to any arrangement to enable the directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the six months ended 31 December 2014.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the six months ended 31 December 2014, the Company has complied with the code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Listing Rules except for the deviation from the code provision A.4.1 which is explained below.

Code provision A.4.1

Under the code provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term, subject to re-election. The existing independent non-executive Directors were not appointed for a specific term as required under the code provision A.4.1 but are subject to retirement by rotation and re-election at annual general meeting in accordance with the Bye-laws of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company has good corporate governance practices.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules. The Company has made specific enquiries and all the Directors have confirmed that they have complied with the required standards set out in the Model Code throughout the reporting period.

REVIEW OF INTERIM REPORT

The audit committee of the Company currently comprises of Mr. Chiu Wai On, Mr. Man Kwok Leung and Dr. Wong Yun Kuen, all of whom are independent non-executive Directors. The Audit Committee has reviewed the unaudited interim report of the Group for the six months ended 31 December 2014.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The interim results announcement and this interim report are available for viewing on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.guocanggroup.com.

By order of the Board
Guocang Group Limited
Wong Hin Shek
Chairman and Executive Director

Hong Kong, 26 February 2015