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INTERCHINA HOLDINGS COMPANY LIMITED
國中控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 202)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012

FINANCIAL HIGHLIGHTS

- Turnover from continuing operations slightly increased to HK$193,106,000 as compared to HK$192,970,000 in the same period of last year.
- Loss for the period amounted to HK$272,569,000, representing an increase of 118.3% as compared to HK$124,842,000 in the same period of last year.
- The Board does not recommend the payment of any interim dividend for the six months ended 30 September 2012 (for the six months ended 30 September 2011: Nil).
- At 30 September 2012, total equity amounted to HK$5,043,543,000, representing an increase of 6.6% as compared to HK$4,729,733,000 (Restated) as at 31 March 2012.
- At 30 September 2012, net assets per share was HK$0.83, representing a decrease of 25.2% as compared to HK$1.11 as at 31 March 2012.

BUSINESS REVIEW

The board of directors (the "Board") of Interchina Holdings Company Limited (the "Company") announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 September 2012 and the unaudited condensed consolidated statement of financial position of the Group as at 30 September 2012. Turnover from continuing operations slightly increased to HK$193,106,000 from HK$192,970,000 of the same period last year. Loss for the period increased by 118.3% to HK$272,569,000 from HK$124,842,000 of the same period last year.

Analysis of the Group's turnover and profit/(loss) contributed by each business segment during the period are set out below:

	Turnover	Profit/(loss) for the period
	HK$'000	*HK$'000*
Continuing operations		
Environmental water treatment operation	179,062	15,975
Property investment operation	12,345	(97,972)
Natural resources operation	–	(1,547)
Financing and securities investment operation	1,699	(33,935)
Total from continuing operations	193,106	(117,479)
Loss from discontinued operations		(63,582)
Other unallocated expenses, net*		(91,508)
Loss for the period		(272,569)

* Other unallocated expenses, net mainly consisted of interest income and other income of HK$19,061,000, other operating and headquarter expenses of HK$15,020,000, finance costs of HK$95,403,000, share of result of an associate of HK$16,000 and taxation of HK$162,000.

Environmental Water Treatment Operation

The Group mainly operates the environmental water treatment operation through its wholly-owned subsidiary, Interchina (Tianjin) Water Treatment Company Limited ("Interchina (Tianjin)") and the 53.77% owned Heilongjiang Interchina Water Treatment Company Limited ("Heilongjiang Interchina") (Stock Code: 600187, listed on the Shanghai Stock Exchange). As at 30 September 2012, the Group's environmental water treatment operation comprised a total of 13 projects, which includes 4 water supply projects and 9 sewage treatment projects with aggregate daily processing capacity of approximately 1,337,500 tonnes.

Analysis of the segment revenue of environmental water treatment operation during the period is set out below:

	2012	2011
	HK$'000	*HK$'000*
Sewage and water treatment income	**136,326**	106,453
Construction service income	**21,378**	44,252
Finance income under service concession arrangement	**21,358**	21,282
Total revenue of this segment	**179,062**	171,987
Segment profit	**15,975**	36,359

Sewage and water treatment income increased 28.1% to HK$136,326,000 was mainly attributable to the commencement of operation of the sewage treatment plant in Taiyuan in August 2011 and increment of treatment fees for the sewage treatment projects located in Qinhuangdao, Zhuozhou and Changli. On the other hand, due to most of new projects currently under construction was at a preliminary stage, construction service income decreased 51.7% to HK$21,378,000 as compare with the same period of last year. Finance income under service concession arrangement remained stable during the period.

The segment profit amounted to HK$15,975,000, representing a decrease of HK$20,384,000 or 56.1% as compared with the same period of last year was mainly attributable to increase in professional expenses for business expansion during the period.

During the period, the Group has continued in further consolidation of the environmental water treatment operation. On 31 May 2012, Heilongjiang Interchina has entered into a Strategic Cooperation Framework Agreement with the Research Centre for Eco-Environmental Sciences, Chinese Academy of Sciences. Both parties have agreed to jointly invest in and incorporate the Interchina CAS Ecological Scientific Innovation Co. Ltd. for the management and implementation of actual operations involved in the incubation of technological innovation and industrialization. Details of the agreement were set out in the Company's announcement dated 31 May 2012.

In July 2012, Heilongjiang Interchina had submitted a proposal to the Shanghai Stock Exchange to increase its issued shares by not more than 160,000,000 new shares at the price of RMB8.03 each to not more than ten subscribers (the "Non-public Share Issue") to raise not more than RMB1,290,000,000. The net proceeds from the Non-public Share Issue is expected to be not more than RMB1,242,000,000 which Heilongjiang Interchina planned to apply as funding to further expand the existing projects on hand and acquire the 90% equity interest in Beijing TDR Enviro-Tech Company Limited ("Beijing TDR") and 100% equity interest in Huaibei Zhonglian Huanshui Environmental Company Limited ("Huaibei Zhonglian"). Beijing TDR is principally engaged in the development of the treatment technology and technique and the production of equipment/construction of facility for sewage water treatment purpose and Huaibei Zhonglian is principally engaged in the sewage treatment operation. Therefore, on the even date Heilongjiang Interchina has entered into two sale and purchase agreement in relation to (i) the acquisition of 90% equity interest in Beijing TDR at the aggregate consideration is

RMB495,000,000 (the "Beijing TDR Acquisition") and (ii) the acquisition of 100% equity interest in Huaibei Zhonglian at the aggregate consideration is RMB34,300,000 (the "Huaibei Zhonglian Acquisition"). Beijing TDR Acquisition constitutes a major transaction of the Company under the Listing Rules while Huaibei Zhonglian Acquisition did not constitute any notifiable transaction of the Company under the Listing Rules. Detail of the Beijing TDR Acquisition was set out in the Company's announcement dated 27 June 2012.

As at 30 September 2012, the Group beneficially owned 229,725,000 shares in Heilongjiang Interchina, representing approximately 53.77% of the issued share capital of Heilongjiang Interchina. After considering all the pros and cons for participating in the Non-public Share Issue, particular the financial burden/cost of further invest in Heilongjiang Interchina, the management of the Company decided not to participate in the Non-public Share Issue. Therefore, upon the completion of the Non-public Share Issue, the Group's equity interest in Heilongjiang will be diluted from 53.77% to 39.12%, constituting a deemed disposal of the Group's interest of Heilongjiang Interchina (the "Deemed Disposal") as well as a very substantial disposal transaction of the Company under the Listing Rules.

Due to the relevant government approval for the Huaibei Zhonglian Acquisition could not be obtained within the agreed timeframe, Huaibei Zhonglian Acquisition is finally terminated and on 20 September 2012, Heilongjiang Interchina had submitted a revised Non-public Share Issue proposal to the Shanghai Stock Exchange to reduce the proposed maximum proceeds raised from the Non-public Share Issue from RMB1,290,000,000 to RMB1,255,700,000 as the result of the termination of Huaibei Zhonglian Acquisition. Save for the aforesaid change, all other terms of the Non-public Share Issue remained unchanged. Heilongjiang Interchina has also submitted the revised proposal to the China Securities Regulatory Commission ("CSRS") on 26 September 2012. The relevant approval procedures by the regulatory authorities of the PRC are still in process.

Besides, on 4 September 2012, the Company announced to seek shareholders' approval to grant a disposal mandate in relation to dispose part of shares it holds in Heilongjiang Interchina (the "Disposal Mandate") subject to the following terms:

(1) the maximum number of Heilongjiang Interchina Shares to be sold shall be 110,000,000, being approximately 25.75% of the issued shares capital of Heilongjiang Interchina;

(2) the minimum disposal price shall be the higher of (a) RMB8.03, being the same as the minimum placing price of the Non-public Share Issue pursuant to the revised Non-public Share Issue Proposal; or (b) 90% of the 5-day average closing price of Heilongjiang Interchina Shares as quoted on the Shanghai Stock Exchange immediately prior to any disposal; and

(3) the specific mandate is to be valid for a period of six months from the date on which the disposal mandate is approved by the shareholders.

The Company intends to apply the net proceeds from the disposal for the repayment of bank and other borrowings of the Group and any future acquisition or investment as and when suitable opportunities arise.

Upon exercise in full of the Disposal Mandate but before the completion of the Deemed Disposal, the Group's interest in Heilongjiang Interchina will be diluted from 53.77% to 28.02%, constituting a very substantial disposal transaction of the Company under the Listing Rules. Besides, it is expected that upon the completion of the Deemed Disposal and exercise in full of the Disposal Mandate, the Group's interest in Heilongjiang Interchina will be further diluted to approximately 20.39%. Heilongjiang Interchina will cease to be a subsidiary of the Company but instead will become an associate investment of the Company. Details of the Non-public Share Issue, the Deemed Disposal and the Disposal Mandate were set out in the Company's circular dated 28 September 2012. The Non-public Share Issue, the Deemed Disposal and the Disposal Mandate were approved by the shareholders of the Company at the extraordinary general meeting held on 19 October 2012.

Looking ahead, environmental water treatment operation remains a one of major investments of the Group and will continue to contribute positively to the results of the Group through equity sharing. It is expected that the Non-public Share Issue is not just a funding raising activities of Heilongjiang Interchina for further expansion but also can enhance the operational efficiency and drive its management standard to a higher level through broadening the shareholder base of Heilongjiang Interchina. In addition, Heilongjiang Interchina will also adhere to its development strategy of strengthening the business chain and well-planned strategic mergers and acquisitions to further expand its business in the market.

Property Investment Operation

The Group currently owns approximately total gross floor area of 19,600 sq. m. in Beijing Interchina Commercial Building, located in the CDB of Beijing (consist of approximately 7,700 sq. m. of office units, 5,800 sq. m. of retail units and 6,100 sq. m. of parking space) (the "Beijing Property"). At 30 September 2012, all of office units and retail units of the Beijing Property have been fully let and provide stable rental income to the Group. The Group also owns a property, total gross floor area of approximately 18,300 sq. m. in Yangpu District, Shanghai (the "Shanghai Property"). The Shanghai Property is suitable for the developing consolidate entertainment centre in the district. Due to the PRC economic development is currently under finetune adjustment, the Shanghai Property has been vacant for a period of time. On 28 August 2012, the Group successful entered into an non-legally binding letter of intent with an international leading private equity company in relation to the disposal of the Shanghai Property at the intended consideration of RMB280,000,000 (the "Possible Disposal"). It is of the view that it is a good opportunity to realize the Shanghai Property into cash and seek for another high quality property for long term investment which can provide a stable and reasonable income stream to the Group. On 23 November 2012, a formal sale and purchase agreement in relation to the Possible Disposal has been signed at the consideration of RMB280,000,000 which constitutes a disclosable transaction of the Company. Detail of the transaction was set out in the Company's announcement dated 23 November 2012.

During the period, the Group was successful in delivering stable revenue growth from property investment operation. Rental income increased by 12.5% to HK$12,345,000. The segment loss amounted to HK$97,972,000, representing a significantly decrease of HK$118,195,000 as compared with the segment profit of HK$20,223,000 in last year. The loss was mainly due to a loss of HK$82,871,000 arising on change in fair value of the Group's investment property (six months ended 30 September 2011: fair value gain of HK$21,361,000) and an impairment loss of HK$19,526,000 on the leasehold improvement of the Shanghai Property.

On 25 April 2012, the Group entered into a sale and purchase agreement to acquire 5 units of luxury properties located at Above The Bund (白金灣府邸), Shanghai, the PRC (the "Properties"), at the aggregate consideration of approximately RMB194,127,000. On the even date, the Group entered into a tenancy agreement with the vendor for the lease of the Properties to the vendor for a term of 3 years at the aggregate annual rental of RMB11,647,000 (equivalent to approximately HK$14,379,000). Detail of the transaction was set out in the Company's announcement dated 25 April 2012. The Properties has contributed rental income of RMB1,946,000 for the period to the Group since 1 August 2012. However, due to the acquisition is being treated as a bulk transaction under the relevant PRC regulation, the procedures of transferring the legal title of the Properties is still underway.

Looking forward, the Group is prudently optimistic to the prospect of the property investment operation and believes that this segment can provide a stable income stream and future profitability to the Group. The Group will continue to seek opportunity of acquisition of high quality property to further enhance the assets base of the Group and strengthen the profitability of this segment.

Natural Resources Operation

The Group's natural resources operation is solely the exploration, exploitation, refining and processing of manganese ore, through a 65% indirect-owned subsidiary of the Company, P.T. Satwa Lestari Permai ("SLP"), a company incorporated in the Republic of Indonesia. The flagship asset of SLP is a mining block of approximately 2,000 hectare in and around the sub-district of Amfoang Selatan, sub-district of Takari and sub-district of Fatuleu, Kupang City Nusantara Timor Tenggena, Indonesia ("Mining Block") and have rights for exploitation, refining, processing and export in the Mining Block for a period of twenty years. Resource of the Mining Block has no significant change during the period.

Due to SLP is preparing for the formal exploitation and production program, the Mining Block did not contribute revenue to the Group for the period. The segment loss of HK$1,547,000 was recorded for the period. The Group has intention to acquire the remaining 35% interests of SLP from the other shareholders. The Group is currently under negotiation with the other shareholders of SLP and has entered into a memorandum of understanding ("MOU") and its supplement in June and October 2012. Detail of the MOU was set out in the Company's announcement dated 28 June 2012 and 3 October 2012 respectively. The acquisition will increase the Group's interest in SLP from 65% to 100% and the Group will take up the obligation for additional capital injection and commence formal exploitation and production as soon as possible.

Given natural resources operation is a new business to the Group, it expects more time will be required to improve/fine tune its operating performance of this segment in order achieve satisfactory results in the long run.

Financing and Securities Investment Operation

As at 30 September 2012, total securities investment/financial assets at fair value through profit and loss stood at HK$27,434,000 and total loan receivable under financing operation amounted to HK$345,565,000. Although this segment only recorded revenue of HK$1,699,000 for the period, representing a decrease of 83% as compared to the same period of last year, the segment loss significantly decreased by 59.8% from HK$84,379,000 of the same period last year to HK$33,935,000 for the period. The decrease was mainly attributed by the decrease in the loss arising from the drop in fair value of the securities investment from HK$94,088,000 in the same period of last year to HK$35,600,000 for the current period. The Company will continue to take conservative approach in the securities investment, so as to reduce the risk resulted from the fluctuation of the securities market.

Discontinued Operations

During the period, the Group decided to cease the operation of securities dealing and brokerage operation and supply and procurement operation, so as to minimize the business risk involved in these two operations. Both are presented as discontinued operations in the condensed consolidated financial statements for the period ended 30 September 2012.

During the period, revenue from securities dealing and brokerage operation decreased 39.5% to HK$8,849,000. The segment loss of HK$57,260,000 was recorded for the period, representing a decrease of HK$68,997,000 as compared with the segment profit of HK$11,737,000 in same period of last year. The loss is mainly attributed by the impairment loss of HK$63,509,000 in respect of client's receivable for the current period.

During the period, revenue from supply and procurement operation decreased 94.5% to HK$8,525,000 as the result of cessation of business in April 2012. The segment loss of HK$6,322,000 was recorded for the period, representing an increase of HK$5,127,000 as compared with the same period of last year.

Prospects

Environmental water treatment operation has been the Group's core principal business. Since the completion of the acquisition of a majority of equity interest in Heilongjiang Interchina by the Group in January 2009, the Group has successfully injected the environmental water treatment business into Heilongjiang Interchina through business restructuring. This injection has enabled Heilongjiang Interchina to become a relatively sizable listed company in the environmental water treatment sector across the country. Over the past few years, thanks to both the support from the policy of the country and the intrinsic technical advantages of the Group, the Group's environmental water treatment operation has recorded an average daily treatment capacity of over 1.30 million tons. At 29 November 2012, the market capitalisation of the Heilongjiang Interchina reached approximately RMB3 billion. The Company considers that a notable success has been made in the investment in Heilongjiang Interchina. Assuming the issuance of additional shares by Heilongjiang Interchina and the disposal of 110,000,000 shares in Heilongjiang Interchina by the Group are fully completed, there will be a reduction in the Group's equity interest in Heilongjiang Interchina from 53.77% to 20.39%. This reduction will be resulted in a change in the status of Heilongjiang Interchina from a subsidiary to an associated company of the Group. Despite this, the Company will continue to regard the investment in Heilongjiang Interchina as one of the Group's major investments. The investment is expected to generate substantial operating income through the equity sharing for the Group in the near future.

The global economic uncertainties and the tightening of the financing policy in PRC market would inevitably affecting the investment properties sector in China. However, the Group had made a great effort to restructure the portfolio of the Group's investment properties during the period. The lease terms of substantial number of the lease agreements for Beijing Property were expired and renewed with significant increase in rental returns during last year and the period which enhance the operating efficiency and profitability of the properties. An agreement to disposal the low return Shanghai Property was entered in November 2012 at a consideration of RMB280,000,000 which provides additional cash flow for the Group to expand other sector of business. On the other hand, during the period, the management had identified and acquired a high quality properties located at Above The Bund (白金灣府邸) which generated a remarkable returns to the Group during the period. We will continue to seek valuable and high quality investment properties in the coming future.

As to natural resources business, the Group has a 65% interest in a manganese mine project in Kupang Island, Indonesia. The manganese resources are of extremely high grade, higher than 50% on the average. These resources are in a robust demand and can be sold at a promising price in the metals markets. Under the backdrop of the global economic uncertainties, manganese would be of no exception but follow a trend that is similar to other metals such as copper, iron and zinc, as noted from a drop in market price of manganese by approximately 20% to USD250 per ton. Notwithstanding this, the Group considers that the manganese project is blessed with certain investment potential. Accordingly, the Group plans to frame a detailed planning on the exploitation proposal upon acquisition of the entire interest in the manganese project. We believe that no operating income will be contributed by the manganese project to the Group at this stage.

The Group's financial borrowings and securities investment business are exposed to higher operational risks when compared to other main business operations. The Group will adhere to a prudent lending and securities investment strategy by keeping ahead of the prevailing market situation, in order to bring greater profit contribution to the Group while mitigating the investment risk exposures.

We will continue to vigorously seek overseas investment projects of superb quality, with a view to creating a brilliant development prospect for our shareholders.

FINANCIAL REVIEW

Results

The Group's operating results for the period was adversely affected by the loss arise from the discontinued operations. During the period, the Group recorded loss of HK$272,569,000, representing an increase of 118.3% over HK$124,842,000 of the same period last year. The increase was mainly attributable to (i) a loss of HK$64,322,000 form the discontinued operations was recorded for the period (six months ended 30 September 2011: gain of HK$8,275,000) as the result of cessation of supply and procurement operation and securities dealing and brokerage operation in April and July 2012 respectively; (ii) the recognition of a fair value loss amounting to HK$82,871,000 in respect of the Group's investment properties (six months ended 30 September 2011: fair value gain of HK$21,361,000); and (iii) the recognition of an impairment loss amounting to HK$19,526,000 in respect of the leasehold improvement of the Shanghai Property (six months ended 30 September 2011: Nil).

The Board does not recommend the payment of interim dividend for the six months ended 30 September 2012 (six months ended 30 September 2011: Nil).

Liquidity, Financial Resources and Capital Structure

At 30 September 2012, the Group's total assets were HK$7,394,298,000 (31 March 2012: HK$7,228,609,000) and the total liabilities were HK$2,350,755,000 (31 March 2012: Restated HK$2,498,876,000). At 30 September 2012, the number of issued share of the Company as 6,078,669,363 (31 March 2012: 4,274,669,363) and the equity reached HK$5,043,543,000 (31 March 2012: Restated HK$4,729,733,000). At 30 September 2012, the current ratio of the Group was 1.25 (31 March 2012: 1.07) whereas the gearing ratio (total outstanding borrowings over total assets) of the Group was 25.7 % (31 March 2012: 27.6%).

At 30 September 2012, the Group's cash on hand and deposits in bank was HK$284,718,000 (31 March 2012: HK$398,751,000). Around 44.0% of the Group's cash on hand and deposits in bank was denominated in Renminbi with the rest mainly in Hong Kong dollars.

At 30 September 2012, the Group's total borrowings comprising bank borrowings of HK$732,120,000 (31 March 2012: HK$876,728,000), other borrowings of HK$1,169,630,000 (31 March 2012: HK$1,116,606,000). The maturity profile of the outstanding bank and other borrowings was spread over a period of more than five years with HK$1,788,392,000 repayable within one year and HK$113,358,000 repayable after one year but within five years. Around 99.37% of the Group's total borrowings was denominated in Renminbi with the rest mainly in Hong Kong dollars.

On 8 May 2012, the Company successfully issued HK$294,500,000 of 2% convertible notes, at initial conversion price of HK$0.31 per conversion share, with a maturity of 3 years due in May 2015. The net proceeds of HK$286,600,000 will be used to (i) as to HK$130 million for repayment of the bank borrowings of the Group; (ii) as to HK$143.3 million for potential investment in new projects in relation to environmental water treatment operation; and (iii) as to HK$13.3 million will be reserved for general working purpose. Detail of the convertible notes was set out in the Company's announcement dated 13 December 2011 and circular dated 17 February 2012. All the convertible notes had been converted into share capital on 14 May 2012. On 14 August 2012, the Company successfully issued 854,000,000 ordinary shares to not less than seven subscribers at the price of HK$0.34 per share, which involved a total subscription price of HK$290,360,000. One of the subscribers, Pengxin Holdings Company Limited which is wholly and beneficially owned by Mr. Jiang Zhaobai ("Mr. Jiang"), has been issued 709,000,000 ordinary shares of the Company and become a substantial shareholder of the Company. Mr. Jiang has been appointed as executive director and chairman of the Company since 24 September 2012. Detail of the placing was set out in the Company announcements dated 29 March 2012, 18 June 2012 and 14 August 2012.

Pledged of Assets

At 30 September 2012, the Group's assets were pledged as security for its liabilities, comprising investment properties with carrying amounts of HK$389,111,000, property, plant and equipment with carrying amounts of HK$329,163,000, intangible assets with carrying amounts of HK$369,001,000 and other financial assets with carrying amounts of HK$207,706,000. In addition, certain shares of subsidiary held by the Group were also pledged to lender(s) to secure loan facilities granted to the Group.

Foreign Exchange Exposure

The Group's principal assets, liabilities, revenue and payments are denominated in Hong Kong dollars and Renminbi. During the period, the Group did not employ any financial instruments for hedging purpose and did not engage in foreign currency speculative activities. The Group will closely manage and monitor foreign currency risks whenever its financial impact is material to the Group.

Material Acquisition and Disposal

Save as the acquisition and disposal has been described in the "Business Review" section, there was no material acquisition or disposal during the period.

Human Resources

As at 30 September 2012, the Group had approximately 910 employees in Hong Kong and the PRC. To maintain the Group's competitiveness, salary adjustments and award of bonus for staff are subject to the performance of individual staff members. Apart from offering retirement benefit scheme, share option scheme and medical insurance for its staff, the Group also provides staff with various training and development programs.

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	For the six months ended 30 September **2012** *HK$'000* (Unaudited)	2011 *HK$'000* (Restated) (Unaudited)
Continuing operations			
Turnover	*2*	**193,106**	192,970
Cost of sales		**(68,502)**	(82,011)
Other income and gain, net	*3*	**18,729**	26,752
Staff costs		**(27,632)**	(32,460)
Amortisation and depreciation		**(23,762)**	(22,363)
Administrative costs		**(87,238)**	(53,297)
Fair value change in investment properties		**(82,871)**	21,361
Loss arising on change in fair value of financial assets at fair value through profit or loss		**(35,600)**	(94,088)
Loss from operations	*4*	**(113,770)**	(43,136)
Finance costs	*5*	**(95,403)**	(80,826)
Share of results of an associate		**16**	(49)
Loss before taxation		**(209,157)**	(124,011)
Taxation	*6*	**910**	(9,106)
Loss for the period from continuing operations		**(208,247)**	(133,117)
Discontinued operations	*7*		
Loss for the period from discontinued operations		**(64,322)**	8,275
Loss for the period		**(272,569)**	(124,842)
Attributable to:			
Owners of the Company		**(291,098)**	(142,437)
Non-controlling interests		**18,529**	17,595
		(272,569)	(124,842)
Loss per share for loss attributable to the owners of the Company	*8*		
From continuing and discontinued operations — Basic and diluted		**(HK5.53 cents)**	(HK4.00 cents)
From continuing operations — Basic and diluted		**(HK4.31 cents)**	(HK4.23 cents)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended 30 September	
	2012	2011
	HK$'000	*HK$'000*
		(Restated)
	(Unaudited)	(Unaudited)
Loss for the period	**(272,569)**	(124,842)
Other comprehensive income		
Exchange differences on translation of financial statements of overseas subsidiaries	**–**	66,955
Total comprehensive loss for the period	**(272,569)**	(57,887)
Total comprehensive loss attributable to:		
Owners of the Company	**(291,098)**	(75,482)
Non-controlling interests	**18,529**	17,595
	(272,569)	(57,887)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At 30 September 2012 HK$'000 (Unaudited)	At 31 March 2012 HK$'000 (Restated) (Audited)	At 1 April 2011 HK$'000 (Restated) (Audited)
Non-current assets				
Investment properties	*9*	**917,815**	951,247	746,881
Property, plant and equipment		**392,434**	404,295	299,878
Prepaid lease payments		**102,151**	102,315	15,781
Mining rights		**1,232,400**	1,232,400	–
Intangible assets		**1,047,673**	1,065,905	1,051,305
Other financial assets		**490,090**	494,408	483,996
Goodwill		**439,927**	439,927	426,017
Interest in an associate		**1,120**	1,104	1,122
Available-for-sale financial assets		**69,136**	69,136	1,190
Other non-current assets		**88,449**	88,451	97,515
		4,781,195	4,849,188	3,123,685
Current assets				
Prepaid lease payments		**3,436**	3,436	–
Inventories		**12,374**	21,613	6,511
Trade and other receivables and prepayments	*10*	**1,938,168**	1,500,628	2,239,489
Loan receivables	*11*	**345,565**	316,278	223,768
Financial assets at fair value through profit or loss		**27,434**	73,985	162,771
Derivative financial instruments		**–**	62,889	–
Tax recoverable		**1,343**	1,527	76
Bank balances — trust and segregated accounts		**65**	314	5,202
Cash and cash equivalents		**284,718**	398,751	1,072,985
		2,613,103	2,379,421	3,710,802
Total assets		**7,394,298**	7,228,609	6,834,487

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Notes	At 30 September 2012 HK$'000 (Unaudited)	At 31 March 2012 HK$'000 (Restated) (Audited)	At 1 April 2011 HK$'000 (Restated) (Audited)
Equity				
Share capital	*12*	**607,867**	427,467	355,542
Share premium and reserves		**3,055,911**	2,955,364	3,105,957
Equity attributable to owners of the Company		**3,663,778**	3,382,831	3,461,499
Non-controlling interests		**1,379,765**	1,346,902	831,602
Total equity		**5,043,543**	4,729,733	4,293,101
Non-current liabilities				
Bank borrowings — due after one year		**113,358**	127,114	198,000
Other borrowings — due after one year		**–**	–	822,976
Deferred tax liabilities		**142,910**	145,864	174,850
		256,268	272,978	1,195,826
Current liabilities				
Trade and other payables and deposits received	*13*	**297,393**	349,269	444,414
Tax payable		**8,702**	10,409	14,950
Bank borrowings — due within one year		**618,762**	749,614	499,406
Other borrowings — due within one year		**1,169,630**	1,116,606	386,790
		2,094,487	2,225,898	1,345,560
Total liabilities		**2,350,755**	2,498,876	2,541,386
Total equity and liabilities		**7,394,298**	7,228,609	6,834,487
Net current assets		**518,616**	153,523	2,365,242
Total assets less current liabilities		**5,299,811**	5,002,711	5,488,927

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standards ("HKASs") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure requirements set out in Appendix 16 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange.

The condensed consolidated financial statements have been prepared on historical cost basis except that the following assets and liabilities are stated at their fair value:

— investment properties; and
— financial instruments classified as trading securities
— financial instruments classified as held for trading

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2012.

The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2012, except for the adoption of the new standards, amendments and interpretations (the "new HKFRSs") issued by the HKICPA as noted below.

HKFRS 1 (Amendments)	Amendment to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards — Severe Hyperinflation Removal of Fixed Dates for First-time Adopter
HKFRS 7 (Amendments)	Amendment to HKFRS 7 Financial Instruments Disclosures Transfers of Financial Assets
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets

Other than as further explained below regarding the impact of HKAS 12 (Amendments), the adoption of the new and revised HKFRSs has had no significant financial effect on these financial statements. The principal effects of adoption these new and revised HKFRSs are as follows:

The amendment to HKAS 12, introduce a presumption that an investment property measured at fair value is recovered entirely through sale. This presumption is rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. Prior to the amendment, deferred taxation on investment properties at fair value is measured to reflect the tax consequences of recovering the carrying amounts of investment properties through use. Therefore, based on the amendment, the Group's investment properties in Hong Kong do not have to provide deferred tax on fair value changes arising from revaluation of investment properties or arising from a business combination, unless the presumption is rebutted. This change in policy has been applied retrospectively by restating the opening balances at 1 April 2011, with consequential adjustments to comparatives for the year ended 31 March 2012.

The amendments to HKAS 12 have been applied retrospectively, resulting in the Group's deferred tax liabilities being decreased by HK$1,403,000 as at 31 March 2012 with the corresponding adjustment being recognised in accumulated losses. In addition, the application of the amendments has resulted in the Group's income tax expense and loss for the six months ended 30 September 2011 being decreased by HK$82,000.

Summary of the effect of the above change in accounting policy

The effect of the change in accounting policy described above on the results for the preceding interim periods by line items presented in the condensed consolidated statement of comprehensive income is as follows:

	Six months ended 30 September 2011 *HK$'000* (Unaudited)
Decrease in income tax expense and loss for the period	82

The effect of the change in accounting policy described above on the financial positions of the Group as at the end of the immediately preceding financial year, i.e. 31 March 2012, is as follows:

Effects of the changes in the accounting policies on the consolidated statement of financial position:

		At 31 March 2012	
	Originally stated	**Effect on adoption of HKAS 12**	**Restated**
	HK$'000	***HK$'000***	***HK$'000***
Deferred tax liabilities	**147,267**	**(1,403)**	**145,864**
Accumulated losses	**1,167,316**	**(1,403)**	**1,165,913**

The effect of the change in accounting policy described above on the financial positions of the Group as at the beginning of the comparative period, i.e. 1 April 2011, is as follows:

		At 1 April 2011	
	Originally stated	Effect on adoption of HKAS 12	Restated
	HK$'000	*HK$'000*	*HK$'000*
Deferred tax liabilities	175,923	(1,073)	174,850
Accumulated losses	803,841	(1,073)	802,768

Since the amount of the adjustment is not significant, there were no impacts on basic and diluted loss per share from continuing and discontinued operations.

2. SEGMENT INFORMATION

For management purpose, the Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other operating segments. Particulars of the Group's reportable continue operating segments are summarised as follows:

Continuing operations

Environmental water treatment operation	—	Operation of water plants and sewage treatment plants in the PRC
Property investment operation	—	Leasing of rental property in the PRC and Hong Kong
Natural resources operation	—	Mining and production of manganese products including principally, through the Group's integrated processes, the beneficiation, concentrating, grinding and the production of manganese concentrate and natural discharging manganese
Financing and securities investment operation	—	Provision of financing service and securities and investment

Discontinued operations

Securities dealing and brokerage operation	—	Provision of securities dealing and brokerage
Supply and procurement operation	—	Supply and procurement of metal minerals and electronic components

The following is an analysis of the segment revenue and results:

For the six months ended 30 September 2012

	Continuing operations					Discontinued operations			
	Environmental water treatment operation	Property investment operation	Financing and securities investment operation	Natural resources operation	Sub-total	Securities dealing and brokerage operation	Supply and procurement operation	Sub-total	Consolidated total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Segment revenue	179,062	12,345	1,699	–	193,106	8,849	8,525	17,374	210,480
Segment results	15,975	(97,972)	(33,935)	(1,547)	(117,479)	(57,260)	(6,322)	(63,582)	(181,061)
Interest income and other income					18,729			332	19,061
Unallocated expenses					(15,020)			–	(15,020)
Loss from operations					(113,770)			(63,250)	(177,020)
Finance costs					(95,403)			–	(95,403)
Share of result of an associate					16			–	16
Loss before taxation					(209,157)			(63,250)	(272,407)
Taxation					910			(1,072)	(162)
Loss for the period					(208,247)			(64,322)	(272,569)

For the six months ended 30 September 2011

	Continuing operations					Discontinued operations			
	Environmental water treatment operation *HK$'000* (Unaudited)	Property investment operation *HK$'000* (Unaudited)	Financing and securities investment operation *HK$'000* (Unaudited)	Natural resources operation *HK$'000* (Unaudited)	Sub-total *HK$'000* (Restated) (Unaudited)	Securities dealing and brokerage operation *HK$'000* (Unaudited)	Supply and procurement operation *HK$'000* (Unaudited)	Sub-total *HK$'000* (Unaudited)	Consolidated total *HK$'000* (Restated) (Unaudited)
Segment revenue	171,987	10,973	10,010	–	192,970	14,616	155,831	170,447	363,417
Segment results	36,359	20,223	(84,379)	(14)	(27,811)	11,737	(1,195)	10,542	(17,269)
Interest income and other income					26,752			672	27,424
Unallocated expenses					(42,077)			(989)	(43,066)
Loss from operations					(43,136)			10,225	(32,911)
Finance costs					(80,826)			(25)	(80,851)
Share of result of an associate					(49)			–	(49)
Loss before taxation					(124,011)			10,200	(113,811)
Taxation					(9,106)			(1,925)	(11,031)
Loss the period					(133,117)			8,275	(124,842)

3. OTHER INCOME AND GAIN, NET

	Continuing operations For the six months ended 30 September		**Discontinued operations For the six months ended 30 September**	
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Bank interest income	**7,375**	3,346	**5**	15
Other loan interest income	**176**	–	**–**	–
Government subsidies	**6,711**	5,556	**–**	–
Consultancy service income	**1,021**	12,222	**–**	–
Dividend income	**–**	–	**–**	2
Net foreign exchange gain	**–**	2,879	**–**	–
Sundry income	**3,446**	2,749	**327**	655
	18,729	26,752	**332**	672

4. LOSS FROM OPERATIONS

	Continuing operations For the six months ended 30 September		Discontinued operations For the six months ended 30 September	
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Depreciation	**3,668**	3,466	**108**	21
Amortisation of prepaid lease payments and intangible assets	**19,985**	18,897	**–**	–
Loss on disposal of property, plant and equipment	**27**	–	**–**	–
Fair value change in investment properties	**82,871**	–	**–**	–
Impairment loss recognised in respect of property, plant and equipment	**19,526**	743	**928**	–
Impairment loss recognised in respect of trade and other receivables and prepayments	**104**	–	**22,174**	–
Impairment loss recognised in respect of loan receivables	**–**	–	**41,335**	–
Impairment loss recognised in respect of inventories	**–**	–	**3,115**	–
Operating lease rentals in respect of premises	**2,391**	1,736	**1,300**	1,177

5. FINANCE COSTS

	Continuing operations For the six months ended 30 September		Discontinued operations For the six months ended 30 September	
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Interest on:				
— Bank borrowings	**94,879**	13,706	**–**	–
— Other borrowings	**169**	67,120	**–**	25
— Convertible notes	**355**	–	**–**	–
	95,403	80,826	**–**	25

6. TAXATION

	Continuing operations For the six months ended 30 September		Discontinued operations For the six months ended 30 September	
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
		(Restated)		
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Current tax				
Hong Kong Profits Tax	**–**	5	**1,072**	1,925
The PRC Enterprise Income Tax	**882**	3,285	**–**	–
	882	3,290	**1,072**	1,925
Deferred tax	**(1,792)**	5,816	**–**	–
	(910)	9,106	**1,072**	1,925

Hong Kong Profits Tax

Hong Kong Profits Tax is calculated at 16.5% (for the six months ended 30 September 2011: 16.5%) of the estimated assessable profits of certain subsidiaries in Hong Kong for the current and prior period.

The provision for the PRC Enterprise Income Tax is based on the estimated taxable income for the PRC at the rate of taxation applicable to the six months ended 30 September 2012 and 2011.

7. DISCONTINUED OPERATIONS

During the period, the Group decided to cease the operation of securities dealing and brokerage operation and supply and procurement operation.

The results of the discontinued operations for the current and prior periods were as follows:

(a) Securities dealing and brokerage operation

	For the six months ended 30 September	
	2012	2011
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Turnover	**8,849**	14,616
Other income and gain, net	**313**	658
Staff costs	**(999)**	(1,734)
Amortisation and depreciation	**(5)**	(13)
Administrative costs	**(1,596)**	(2,082)
Impairment loss recognised in respect of loan receivables	**(41,335)**	–
Impairment loss recognised in respect of trade and other receivables and prepayments	**(22,174)**	–
(Loss)/profit before taxation	**(56,947)**	11,445
Taxation	**(1,072)**	(1,925)
(Loss)/profit for the period	**(58,019)**	9,520

(b) Supply and procurement operation

	For the six months ended 30 September	
	2012	2011
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Turnover	**8,525**	155,831
Cost of sales	**(9,297)**	(154,635)
Other income and gain, net	**19**	14
Staff costs	**(212)**	(279)
Amortisation and depreciation	**(103)**	(8)
Administrative costs	**(1,192)**	(2,143)
Impairment loss recognised in respect of property, plant and equipment	**(928)**	–
Impairment loss recognised in respect of inventories	**(3,115)**	–
Finance costs	**–**	(25)
Loss before taxation	**(6,303)**	(1,245)
Taxation	**–**	–
Loss for the period	**(6,303)**	(1,245)

8. LOSS PER SHARE

From continuing and discontinued operations

	For the six months ended 30 September	
	2012	2011
	HK$'000	*HK$'000*
		(Restated)
	(Unaudited)	(Unaudited)
Loss for the period attributable to owners of the Company for the purpose of basic loss per share	**(291,098)**	(142,437)
Effect of dilutive potential ordinary shares on interest of convertible notes	**355**	–
Loss for the purpose of diluted loss per share	**(290,743)**	(142,437)
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**5,256,592,860**	3,561,521,011

From continuing operations

	For the six months ended 30 September	
	2012	2011
	HK$'000	*HK$'000*
		(Restated)
	(Unaudited)	(Unaudited)
Loss for the period attributable to owners of the Company for the purpose of basic loss per share	**(226,776)**	(150,712)
Effect of dilutive potential ordinary shares on interest of convertible notes	**355**	–
Loss for the purpose of diluted loss per share	**(226,421)**	(150,712)
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**5,256,592,860**	3,561,521,011

From discontinued operations

	For the six months ended 30 September	
	2012	2011
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
(Loss)/profit for the period attributable to owners of the Company for the purpose of basic and diluted loss per share	**(64,322)**	8,275
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**5,256,592,860**	3,561,521,011

The calculation of diluted loss/profit per share for the six months ended 30 September 2012 and 2011 has not assumed the exercise of the share options as these potential ordinary shares would have anti-dilutive effect.

9. INVESTMENT PROPERTIES

The fair value of the Group's investment properties at 30 September 2012 have been arrived at on the basis of a valuation carried out on that date by independent professional valuers. The valuation was arrived at by reference to market evidence of transaction prices for similar properties in similar location.

At 30 September 2012, investment properties with the carrying amount of HK$389,111,000 (31 March 2012: HK$379,531,000) have been pledged to secure banking facilities granted to the Group.

On 23 November 2012, the Equal Smart Profits Limited, an indirect wholly-owned subsidiary of the Company, entered into the sale and purchase agreement with 上海平祥企業管理有限公司 for the disposal of the property located at the second basement, the first basement, the first floor and second floor of No. 1546 Dalian Road, Yangpu District, Shanghai, the PRC at the consideration of RMB280,000,000 (equivalent to HK$345,679,000). As at the date of approval of these financial statements, the disposal has not completed. The loss arising from the difference of carrying amount and the market value amounted to RMB82,012,000 (equivalent to HK$101,249,000) is recognised directly in the condensed consolidated income statement for the six months ended 30 September 2012.

10. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

The Group allows an average credit period of 60 days (31 March 2012: 60 days) to its trade customers. The aged analysis of trade receivables is as follow:

	At 30 September 2012 *HK$'000* (Unaudited)	At 31 March 2012 *HK$'000* (Audited)
Trade receivables:		
0–30 days	**238,226**	206,360
Margin clients' accounts receivables	**95,756**	91,889
Clearing houses, brokers and dealers	**–**	274
Prepayments and deposits	**1,586,448**	1,200,611
Other receivables	**96,987**	58,465
	2,017,417	1,557,599
Less: Impairment of trade and other receivables and prepayments	**(79,249)**	(56,971)
	1,938,168	1,500,628

Loans to margin clients are secured by client's pledged securities, repayable on demand and bear interest at commercial rates. No aged analysis is disclosed, as in the opinion of directors of the Company, the aged analysis does not give additional value in view of the nature of business of share margin financing.

Movement on impairment of trade and other receivables and prepayments were as follow:

	At 30 September 2012 *HK$'000* (Unaudited)	At 31 March 2012 *HK$'000* (Audited)
At beginning of the period	**56,971**	2,313
Impairment loss reversed	**–**	(1,340)
Impairment loss recognised	**22,278**	55,998
At end of the period	**79,249**	56,971

The Group's prepayments and deposits as at 30 September 2012, inter alia, are as follow:

(i) deposit of HK$51,000,000 (31 March 2012: Nil) paid for acquisition of companies principally engaged in the exploration, mining, processing and sale of manganese resources in the Republic of Indonesia;

(ii) deposits of HK$438,428,000 (31 March 2012: HK$198,765,000) paid for acquisition of certain investment properties in the PRC;

(iii) deposits of HK$306,914,000 (31 March 2012: HK$306,914,000) paid for acquisition of several potential water projects in the PRC; and

(iv) prepayments of HK$635,768,000 (31 March 2012: HK$602,102,000) to various contractors for construction of environmental water treatment projects in the PRC.

(v) On 10 February 2012, Heilongjiang Interchina entered into an option agreement in relation to acquire an aggregate of 90% equity interest in Beijing TDR Enviro-Tech Co., Ltd ("Beijing Company") at a predetermined price.

The aggregate premium payable for the options is RMB10,000,000 (equivalent to HK$12,346,000). The carrying amount of the options had been remeasured to its fair value to HK$62,889,000 at 31 March 2012 and recognised as derivative financial instruments. Accordingly, the fair value gain on derivative financial instrument amounted to HK$50,543,000 was recognised for the year ended 31 March 2012.

On 21 June 2012, Heilongjiang Interchina exercised the options and a formal sale and purchase agreement was signed for acquiring the 90% equity interest in Beijing Company (the "Acquisition"). The fair value of the option premium was reassessed at the exercise date by Ascent Partners Transaction Service Limited, a firm of independent valuers, which is same as the carrying amount of the derivative financial instrument amounted to a HK$62,889,000. At the end of the reporting period, the Acquisition has not completed as the option premium was therefore reclassified as prepayment accordingly.

11. LOAN RECEIVABLES

The loan was unsecured, carrying at the prevailing interest rate ranging from 2% to 7.2% per annum (31 March 2012: from 9.6% to 15% per annum) with fixed repayment terms.

At 30 September 2012, loan receivables of HK$41,335,000 was determined to be impaired and recognised as impairment loss for the period (31 March 2012: HK$2,764,000). The Group does not hold any collateral over these balances.

The remaining balance of loan receivables relate to a number of independent debtors that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there had not been a significant change in credit quality and the amount s were still considered recoverable. The Group does not hold any collateral over these balances.

12. SHARE CAPITAL

	Number of shares		**Nominal value**	
	At 30 September 2012	At 31 March 2012	**At 30 September 2012**	At 31 March 2012
			HK$'000	*HK$'000*
			(Unaudited)	(Audited)
Ordinary shares of HK$0.10 each				
Authorised:				
At beginning and the end of the period/year	**10,000,000,000**	10,000,000,000	**1,000,000**	1,000,000
Issued and fully paid:				
At the beginning of the period/year	**4,274,669,363**	3,555,419,363	**427,467**	355,542
Placement of shares *(note a & b)*	**854,000,000**	712,000,000	**85,400**	71,200
Exercise of share options *(note c)*	**–**	7,250,000	**–**	725
Conversion of convertible notes *(note d)*	**950,000,000**	–	**95,000**	–
At end of the period/year	**6,078,669,363**	4,274,669,363	**607,867**	427,467

All shares issued by the Company rank pari passu with the then existing shares in all respects.

Notes:

(a) On 14 August 2012, the Company allotted and issued an aggregate of 854,000,000 new shares of HK$0.10 each by way of placing to independent investors at a price of HK$0.34 per share. The net proceeds from the placing was HK$284,350,000.

(b) On 13 December 2011, the Company allotted and issued an aggregate of 712,000,000 new shares of HK$0.10 each by way of placing to independent investors at a price of HK$0.31 per share. The net proceeds from the placing was HK$215,202,000.

(c) On 6 April, 3 May, 8 July and 28 July 2011, the Company allotted and issued in aggregated of 4,250,000 new shares of HK$0.10 each pursuant to the exercise of share options granted to the Group's employees and consultants. The exercise price was HK$0.89 per share.

On 6 April and 20 April 2011, the Company allotted and issued in aggregated of 2,000,000 and 1,000,000 new shares of HK$0.10 each pursuant to the exercise of share options granted to the Group's employees and consultants. The exercise price was HK$0.83 and HK$1.03 per share respectively.

(d) On 14 May 2012, HK$294,500,000 of the convertible note was converted at initial conversion price of HK$0.31 each into 950,000,000 ordinary shares of the Company at HK$0.10 each.

13. TRADE AND OTHER PAYABLES AND DEPOSITS RECEIVED

The aged analysis of trade payables is as follows:

	At 30 September 2012 *HK$'000* **(Unaudited)**	At 31 March 2012 *HK$'000* (Audited)
Trade payables:		
0–30 days	**41,801**	38,451
Accounts payable arising from the business of dealing in securities and equity options:		
Margin clients	**65**	493
Other payables and deposits received	**255,527**	310,325
	297,393	349,269

Amounts due to margin clients are repayable on demand. No aged analysis is disclosed, as in the opinion of directors of the Company, the aged analysis does not give additional value in view of the nature of business of share margin financing.

The Group's other payables and deposits received as at 30 September 2012, inter alia, are as follow:

(i) other payables of HK$124,489,000 (31 March 2012: HK$146,322,000) to various contractors for construction of environmental protection and water treatment projects in the PRC; and

(ii) interest payables of HK$16,186,000 (31 March 2012: HK$17,208,000) for interests borrowing.

14. EVENTS AFTER THE REPORTING PERIOD

(a) On 21 June 2012, the board of directors of Heilongjiang Interchina, a subsidiary of the Company with its shares listed on the Shanghai Stock Exchange, the PRC approved a proposal in respect of the issue of maximum of 160,000,000 Heilongjiang Interchina new shares at the price of RMB8.03 each to not more than ten subscribers. The deemed disposal was approved by the shareholders of the Company on 19 October 2012. Details of which were set out in the Company's announcement dated 25 June 2012, 13 July 2012, 20 September 2012 and 19 October 2012 and circular dated 28 September 2012.

(b) On 21 June 2012, the Heilongjiang Interchina has exercised the option and entered into the sale and purchase agreement with seven independent third parties in relation to the acquisition of 90% equity interest in Beijing Company. The aggregate consideration is RMB495,000,000. Beijing Company is principally engaged in the development of the treatment technology and technique and the production of equipment/construction of facility for sewage water treatment purpose. As at the date of approval of theses consolidated financial statements, the acquisition has not completed and the management of the Group was still in the midst of determining the financial effect of aforesaid transactions. Details of which were set out in the Company's announcement dated 8 May 2012 and 27 June 2012 and circular dated 23 November 2012.

(c) On 28 June 2012, Universe Glory Limited, an indirect wholly-owned subsidiary of the Company, entered into a memorandum of understanding pursuant to which Group intend to acquire additional 35% of issued share capital of P.T. Satwa Lestari Permai. As at the date of approval of these consolidated financial statements, the management of the Group was still in the midst of determining the financial effect of the aforesaid transactions. Details of which were set out in the Company's announcement dated 28 June 2012 and 3 October 2012.

(d) On 27 August 2012, the board of directors of the Company proposed a specific mandate that to seek the shareholders of the Company approval which involves the possible disposal of 110,000,000 shares of Heilongjiang Interchina held by the Company in one or more transactions. The disposal was approved by the shareholders of the Company on 19 October 2012. Details of which were set out in the Company's announcement date 4 September 2012 and 19 October 2012 and circular date 28 September 2012.

(e) On 23 November 2012, Equal Smart Profits Limited, an indirect wholly-owned subsidiary of the Company, entered into the sale and purchase agreement with 上海平祥企業管理有限公司 for the disposal of the property located at the second basement, the first basement, the first floor and second floor of No.1546 Dalian Road, Yangpu District, Shanghai, the PRC at the consideration of RMB280,000,000 (equivalent to HK$345,679,000). As at the date of approval of these financial statements, the disposal has not completed. Details of which were set out in the Company's announcement dated 28 August 2012 and 23 November 2012.

15. COMPARATIVE FIGURES

Certain comparative figures have been reclassified and restated to conform to current period's presentation.

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

Neither the Company, nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 September 2012.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"). The Company periodically reviews its corporate governance practices to ensure its continuous compliance with the CG Code. Save as disclosed below, the Company had complied with the code provisions of the CG Code throughout the Period.

Pursuant to code provision A.4.1 of the CG Code, Non-executive directors should be appointed for a specific term, subject to re-election. Currently, all directors of the Company (including executive and non-executive directors) are not appointed for any specific term. However, in view of the fact that they are subject to retirement by rotation in accordance with the Company's Articles of Association, the Company considers that there are sufficient measures to ensure that the corporate governance standard of the Company is not less exacting than that of the code provisions.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code contained in Appendix 10 of the Listing Rules. Having made specific enquiry of all directors, the Company confirmed that all directors have complied with the required standard as set out in the Model Code throughout the period under review.

AUDIT COMMITTEE

The Audit Committee comprises all the independent non-executive directors of the Company and had reviewed with management of the accounting principles and policies adopted by the Group and discussed internal control and financial reporting matters including review of the interim results of the Group for the six months ended 30 September 2012.

PUBLICATION ON THE STOCK EXCHANGE'S WEBSITE

This results announcement will be published on the Company's website (http://www.interchina.com.hk) and Stock Exchange's website (http://www.hkex.com.hk). The 2012 Interim Report will be despatched to the shareholders of the Company and will be made available on the websites of the Company and Stock Exchange in due course.

By order of the Board of
Interchina Holdings Company Limited
Lam Cheung Shing, Richard
Executive Director and Chief Executive Officer

Hong Kong, 29 November 2012

As at the date of this announcement, the executive Directors are Mr. Jiang Zhaobai, Mr. Shen Angang, Mr. Lam Cheung Shing, Richard, Mr. Zhu Yongjun and Mr. Zhu Deyu and Mr. Lu Yaohua, and the independent non-executive Directors are Mr. Ho Yiu Yue, Louis, Mr. Ko Ming Tung, Edward and Mr. Chen Yi, Ethan.