Interim Report 2010

Integrated Distribution Services Group Limited

(Incorporated in Bermuda with limited liability)

Stock Code: 2387

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iDS

HIGH PERFORMANCE HIGH VALUES

Member of the Li & Fung Group

Contents

This interim report is printed on environmental friendly paper

Corporate Information

Non-executive Directors

Dr. Victor FUNG Kwok King *(Chairman)*
John Estmond STRICKLAND#
Dr. FU Yu Ning#
Prof. LEE Hau Leung#
Andrew TUNG Lieh Cheung#
Dr. William FUNG Kwok Lun
Jeremy Paul Egerton HOBBINS
LAU Butt Farn

Independent Non-executive Director

Executive Directors

Benedict CHANG Yew Teck
(Group Managing Director)
Joseph Chua PHI
(President)

Group Chief Compliance Officer

James SIU Kai Lau

Chief Financial Officer

Srinivasan PARTHASARATHY

Company Secretary

YUEN Ying Kwai

Legal Advisors

Mayer Brown JSM
16th-19th Floors, Prince's Building
10 Chater Road, Central
Hong Kong

Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited
Standard Chartered Bank (Hong Kong) Limited

Auditor

PricewaterhouseCoopers
Certified Public Accountants
22nd Floor, Prince's Building, Central
Hong Kong

Registered Office

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal Place of Business

18th Floor, IDS LiFung Centre
2 On Ping Street
Siu Lek Yuen, Shatin, N.T.
Hong Kong

Highlights

	Six months ended 30 June		
	2010	2009	Change
	US$ million	US$ million	%
Revenue	**941.54**	846.66	11.2%
Gross profit	**251.75**	219.39	14.8%
Core operating profit	**9.34**	8.92	4.6%
Operating profit	**19.81**	24.80	–20.1%
Profit attributable to shareholders	**12.43**	18.46	–32.7%
Earnings per share	**3.86 US cents**	5.81 US cents	–33.6%
Earnings per share (equivalent to)	**30.00 HK cents**	45.04 HK cents	
Interim dividend per share	**9 HK cents**	14 HK cents	–35.7%

- Asia reported outstanding growth of 22.1% in operating profit, up from US$24.20 million in the first half of 2009 to US$29.54 million for the first six months of this year.
- Core operating profit was US$9.34 million for the period, representing modest growth of 4.6% against 1H 2009 due to operating losses registered in the US and UK.
- Encouraging performance was recorded in the UK with operating losses narrowed to US$0.76 million in 1H 2010. Business is on track for a turnaround this year.
- Operating performance amidst a weak US market environment remains challenging and difficult. Operating losses in the US for the period increased to US$10.34 million. However, new business and additional savings in occupancy should improve 2H performance.
- As a result of significantly lower one-off gains against last year (a US$5.4 million decrease) and increased financial and taxation charges, profit attributable to shareholders for 1H 2010 was US$12.43 million, against US$18.46 million for the same period in 2009.

Chairman's Statement

Dear Shareholders,

I am pleased to report the interim results for Integrated Distribution Services Group Limited (the "Company") and its subsidiaries (collectively the "Group" or "IDS") for the six months ended 30 June 2010.

For most of the Asian economies, the rebound that began in the second half of 2009 continued into the first half of 2010. On the other hand, the recovery process for the economies of the US, Europe and Japan remained delicate. Nevertheless, the Group remains cautiously optimistic that the global economy is slowly emerging from the recession and is trending towards a gradual but tentative recovery. A great deal will depend on external factors which may impact economic growth. The world needs unfettered access to trade now more than ever if it wishes to curb unemployment, stimulate growth and boost incomes. Developments regarding the debt crisis in the European Union as well as continuing signs of rising protectionism also bear watching.

During the first six months of 2010, the Group's revenue grew 11.2% from US$846.66 million in the first half of 2009 to US$941.54 million. Gross profit grew even faster at 14.8%, up from US$219.39 million in the first six months of 2009 to US$251.75 million for the same period in 2010. Asia continues to register solid growth in core operating profit, from US$24.20 million in the first half of 2009, to US$29.54 million this year. However, the outstanding performance of Asia was partly offset by challenges in the US. As a result, the Group's core operating profit for the first half of 2010 was US$9.34 million, 4.6% above the US$8.92 million recorded during the same period of last year.

The Group's operating profit for the first half of 2010 was US$19.81 million, 20.1% below the US$24.80 million recorded during the same period of last year. The operating profit has taken one-off items into account, including a US$8.50 million gain from the divestment of the Group's final 10% interest in Slumberland Asia Pacific (SAP) in January 2010. The decrease in operating profit was mainly attributable to the substantially lower one-off gains recorded this first half as compared to the first half of 2009, which included a US$16.35 million gain from the divestment of a 20% interest in SAP.

As a result of the substantially lower one-off gain and increased taxation and finance charges during the first half of 2010, profit attributable to shareholders for the first six months of 2010 was US$12.43 million, 32.7% below the US$18.46 million recorded in the same period of 2009. Earnings per share for the period was 3.86 US cents (equivalent to 30.00 HK cents), compared to 5.81 US cents (approximately 45.04 HK cents) in 2009. The Board of Directors has declared an interim dividend of 9 HK cents per share.

Buoyed by the continued economic recovery, performance in Asia remained robust with both the Greater China and ASEAN regions registering strong performances during the period. All markets in Greater China, Thailand and Malaysia delivered remarkable growth. With the logistics business acquired last year and improvement in operational efficiencies, the Indonesian operations eventually turned around and became profitable in the first half. During the period under review, the Group continued to explore acquisition opportunities across the region actively. The Group is currently analyzing several opportunities in the areas of logistics, freight forwarding and distribution.

While the US business remains challenging, the Group is exploring fresh opportunities to improve performance. Newly secured business and the expiry of two leases will benefit second-half performance substantially. On the West Coast, a new facility equipped with an automated sortation system was launched in May. This development should provide an impetus to develop more new businesses that would help to increase labor productivity and improve operational efficiencies.

Riding on the back of improved relationships with key customers like Marks & Spencer and Republic, along with a recovery in the freight forwarding business, the UK operations reported encouraging results for the first half of 2010. Operating losses for the period were substantially reduced. The UK team also saw the smooth commencement of a program with LF Europe in the second quarter that will help to build a solid platform for further collaboration. The management remains confident that the UK operation will be profitable for the full year of 2010.

While there are positive signs in the global economy and encouraging trends in Asia — in particular China, the world's second-biggest economy — we cannot expect a return to "normal", a term that has to be redefined in the wake of the past two years. High unemployment levels — especially in the US and Europe — modest consumer spending levels in the US and the European debt crisis remain key challenges. Against this backdrop, it is prudent for companies to remain conservative in their spending and investments, and we can expect this pattern to continue in the near future. Still, we feel confident from a competitive perspective that the Group is well positioned to grow further in Asian markets and improve its performance in the US and UK.

During the period under review, the Group strengthened its commitment to corporate social responsibility by setting up a Corporate Responsibility function to drive the strategic development and full-scale implementation of policies and programs for each of the three CSR pillars: Environmental Sustainability, Community Outreach and Employee Health & Safety. The Group's commitment to high standards of corporate governance remains strong, reinforcing the principles of transparency, accountability and independence.

On behalf of the Directors, I would like to take this opportunity to express my gratitude to the management and all members of staff for their hard work and dedication to the continued growth of IDS.

Victor FUNG Kwok King
Chairman

Hong Kong, 12 August 2010

GMD’s Report

The operating environment remained challenging in the first half of 2010. However, we are glad to see that the global economy continues to recover, although not as robustly as many have hoped, from the financial turmoil that began in late 2007. Amidst uncertainties and occasional signs of further recession in developed economies, the Group is seeing strong growth in its Asian operations. However, the original expectation of stronger throughput volumes for the US business failed to materialize during the period under review.

During the first half of 2010, core operating profit recorded a modest increase of 4.6% to US$9.34 million for the first six months in 2010, driven by outstanding business growth in Asia that was partly offset by increased operating losses in the US. After factoring in significantly lower one-off gains against last year (a US$5.4 million decrease) as well as higher finance and taxation charges registered this year, profit attributable to shareholders in the first half of 2010 amounted to US$12.43 million, compared to US$18.46 million for the same period in 2009.

New contracts secured during the first half of 2010 included the logistics hub operation in Hong Kong for Monsoon, a British fashion retailer and one of our major customers in the UK; logistics service for Raffaella, a women’s wear brand in the US; distribution service for Servier, a French pharmaceuticals company; logistics service for Puma; and an expanded scope of service for GSK. The Group also successfully renewed major contracts with companies such as adidas and Puma in China, Johnson & Johnson and GSK in Hong Kong, L’Oreal in Taiwan, Philip Morris in Brunei, and Philips in Malaysia and Singapore.

Our focus on operations excellence and service continues to win recognition from key customers. In less than 18 months since commencing service, the Taiwan Distribution team outperformed 37 other countries to win two significant awards from Shell in April — “Best Marketing Performance 2009” and “Best Synthetic Performance 2009”. The awards were given for our innovative marketing programs and outstanding growth achieved in the distribution of Shell lubricants. Meanwhile, the Taiwan Logistics team beat out nine other operators in the region to win “Best Double Productivity and Throughput DC” from P&G in June. After winning Unilever’s “Vendor of the Year” award three times in the past four years, the Philippine Logistics team received the highest honour — the “Hall of Fame Award 2009” — in April. The Philippine Distribution team also won the “Best in Volume Growth” Award from Philip Morris. In other markets, IDS received accolades from adidas, Kimberly-Clark and Nestlé.

Financial Overview

Revenue registered double-digit growth of 11.2%, rising from US$846.66 million in the first half of 2009 to US$941.54 million during the corresponding period this year. Greater China, ASEAN and the UK all registered growth, whilst revenue in the US was flat. Gross profit grew by 14.8% year-on-year, from US$219.39 million to US$251.75 million. Double-digit growth was registered in Greater China, ASEAN and the UK, although this was partly offset by the decline in the US. As a result, gross profit margin increased from 25.9% in the first half of 2009 to 26.7% for the same period this year.

Asia registered outstanding performance during the first six months of 2010, delivering 22.1% growth in operating profit to US$29.54 million against US$24.20 million for the same period last year. This was mainly driven by strong performances across the major markets of China, Hong Kong, Thailand and Malaysia. The successful turnaround of the Indonesian operations and commendable performance by the Roots business that was acquired in September 2009 also contributed to this growth. However, growth in Asia was partly offset by increased operating losses in the US, which grew from US$6.47 million in the first half of 2009 to US$10.34 million during the same period this year. Although it recorded a loss of US$0.76 million for the period, the UK business improved remarkably on the US$1.79 million loss during the first half of last year. Core operating profit for the first half of 2010 was US$9.34 million, 4.6% above the US$8.92 million recorded over the first six months of 2009.

During the period under review, the Group divested the final 10% of its interest in Slumberland Asia Pacific, resulting in a gain of US$8.50 million. After taking this into account as well as other one-off items, the Group's operating profit for the first half of 2010 was US$19.81 million, representing a year-on-year decrease of 20.1% from US$24.80 million. This was mainly attributed to a US$5.4 million gap in one-off gains against last year. Net finance costs for the first half of 2010 increased by US$0.54 million as a result of a higher level of borrowings. Taxation charges also increased by US$0.46 million due to higher taxable profits in Asia. As a result, profit attributable to shareholders for the first six months of 2010 was US$12.43 million, 32.7% below the US$18.46 million recorded in the first half of 2009.

Operations Overview & Segmental Analysis

Greater China

Greater China enjoyed an excellent first half. During the period under review, revenue increased by 11.1%, from US$397.3 million to US$441.5 million, whilst operating profit saw 32.9% growth, rising from US$11.59 million to US$15.40 million. Buoyed by strong domestic consumption, IDS China recorded solid year-on-year increases in both revenue and operating profit of 29.9% and 27.2% respectively. Hong Kong reported commendable 9.8% growth in operating profit, which was mainly attributed to new businesses with customers such as Colgate, Friesland Campina and Fonterra that were launched in the second half of 2009.

The integration of Hong Kong into the China organization was implemented in the first quarter of 2010 and is progressing smoothly. New organization structure and distribution and logistics infrastructure development in China will drive stronger growth and synergies with Hong Kong. The Group also began setting up regional offices in China and investing in strengthening management and technology.

Backed by the steady growth of the Shell distribution business and the addition of the Roots operation that was acquired in September 2009, the Taiwan business more than doubled the operating profit it recorded in the first half of 2009.

ASEAN

The ASEAN region registered a 12.1% increase in revenue, up from US$402.6 million in the first half of 2009 to US$451.5 million over the same period this year. Operating profit grew at the same rate, up from US$12.61 million to US$14.14 million year-on-year. Strong performances were registered in Thailand and Malaysia, whilst Indonesia made a strong turnaround.

Despite the political unrest in Thailand that dampened domestic consumption, IDS' business continued to thrive on strong operating leverage and solid customer partnerships. Operating profit for the first half of 2010 grew 29.8% against the same period last year on the back of 17.7% growth in revenue. The performance of the Manufacturing business was outstanding due to productivity improvement and robust volume growth.

The construction of a 60,000-square-foot facility dedicated to the manufacturing of F&N's chilled products in Malaysia was completed in August. Installation of production lines will take place in September to prepare for the commencement of the facility's commercial run in the fourth quarter.

After a significant turnaround two years ago, the Group further optimized the customer portfolio under the distribution business in the Philippines by shedding unprofitable accounts and contracts with potential risks. Although the exercise incurred additional costs, it should ensure substantial improvement in the quality of earnings to support sustainable growth.

US & UK

Backed by a rebound in the freight business and higher throughput volume due to a strengthened partnership with Marks & Spencer, IDS' UK performance improved significantly. Revenue for the first half of 2010 increased 27.7% to US$24.4 million against the same period last year. As a result, operating loss during the period narrowed to US$0.76 million from US$1.79 million. The team also successfully brought on board Visage, a garment supplier under LF Europe, in the second quarter.

The Group is upgrading the Sheffield facility to become a paperless, state-of-the-art e-commerce and piece-pick operation for Republic, a major UK high-street retailer serving over 120 stores. Following completion, which is targeted for the third quarter, the facility will help Republic handle rapidly growing demand from its e-commerce site. It will also serve as a reference demonstrating IDS' capability in e-fulfillment services.

Operating performance amidst a weak US market environment remains challenging and difficult. Volumes continued to be very soft in the first half despite a substantial increase in business volume from Li & Fung (LF USA) and additional revenue from the freight forwarding business that was acquired in late 2009. Overall revenue in the US for the first half of 2010 was only 0.8% above the same period last year, at US$28.2 million.

In addition, an unexpected surge in throughput volume during the start-up of one of the LF USA businesses in the first quarter resulted in a temporary increase in labor costs. Although this was later stabilized, it still led to a significant increase in operating expenses. Coupled with lower business volume from other non-Li & Fung businesses due to bankruptcies, exits or volume shortfalls, operating losses in the US for the first half of 2010 increased to US$10.34 million.

Business Segment

By business segment, all streams recorded growth in revenue. Distribution revenue grew 7.2% to US$660.95 million, Logistics revenue increased 17.6% to US$175.93 million, and Manufacturing delivered the strongest performance, growing 30.4% to US$114.27 million. Distribution and Manufacturing registered robust double-digit growth in core operating profit of 25.1% and 76.4% respectively. Logistics recorded a loss of US$3.79 million due to the operating losses of the US and UK.

Liquidity and Financial Resources

Net cash used in operations during the period was US$19.34 million resulting from the increase of working capital US$41.27 million mainly in China. Net borrowings as at 30 June 2010 were US$109.23 million against US$72.38 million as at 31 December 2009. The Group's gearing ratio as at 30 June 2010 was 38.5% against 35.1% at 30 June 2009 and 29.8% at 31 December 2009. The gearing ratio was calculated as net borrowings divided by total capital. Net borrowings of US$109.23 million was calculated as total borrowings (including short-term bank loans and other borrowings of US$97.28 million, long term bank loans and obligations under finance leases of US$116.96 million) less time deposits and bank balances and cash of US$105.01 million. Total capital was calculated as total equity of US$174.53 million and net borrowings. The Group has available bank loans and overdraft facilities of approximately US$408 million of which US$211.4 million have been utilized.

Foreign Exchange Risk Management

The Group operates in various economies over the world and is exposed to foreign exchange risk. Fluctuations in exchange rates in these economies can affect the earnings and net assets of the Group.

In addition, certain purchase transactions are not conducted in the respective local currencies of the operations. The foreign currencies involved in these transactions include mainly US Dollars, Euro, Japanese Yen and Pound Sterling. The Group purchases foreign currency contracts to protect against the adverse effect of such exchange fluctuations on the foreign currency. The Group policy is to hedge all material purchases transacted in foreign currencies and restrict from engaging in speculative foreign exchange transactions.

Contingent Liabilities

(a) Bank guarantees

The Group has counter guaranteed the following outstanding bank guarantees issued by banks for normal business operations:

	Unaudited 30 June 2010 US$'000	Audited 31 December 2009 US$'000
For purchase of goods in favor of suppliers	**27,705**	23,669
For rental payment in favor of the landlords	**11,772**	10,582
As security in favor of local tax and customs authorities in accordance with local regulations	**8,711**	7,616
Performance bonds and others	**2,533**	1,570
	50,721	43,437

(b) The Company and two of its subsidiaries, IDS USA Inc. and IDS Group Limited, have been included as defendants in certain civil claims in the USA. The management of the Group has reviewed the facts and circumstances and is of the view that the likelihood of the Company and its subsidiaries suffering material loss is low.

Human Resources

As at 30 June 2010, the Group employed approximately 8,700 permanent employees. They were located throughout various operations within the Group. Total staff costs for the period ended 30 June 2010 amounted to approximately US$113.62 million compared to US$98.57 million for the same period 2009.

The Group offers its staff competitive remuneration schemes, including Share Option Scheme. In addition, discretionary bonuses are granted to eligible staff based on individual and Group performance. The Group is committed to nurturing a learning culture in the organization.

Future Prospects

The world economy is expected to continue on its trend toward a mild recovery. Whilst a strong rebound is unlikely in the short term, as consumer spending in the developed economies remains cautious, the outlook for Asia is relatively positive. IDS has delivered sustainable growth in Asia in the midst of financial turmoil, and the productivity enhancement and cost reduction measures implemented during the past two years should result in an even stronger foundation for the Group as we enter the next Strategic Plan cycle in 2011–2013.

For the rest of 2010, we intend to maintain robust growth in Asia and significantly improve the performance of the US and UK operations. In spite of a disappointing first half, we do see the potential for a stronger second half in the US. With a strengthened focus on business development, the US team has secured a contract with Rafaella, which will contribute to second-half revenues. Savings of approximately US$1.2 million in occupancy will be realized for the second half from the expired leases of two facilities. Discussions with LF USA about additional business, which were temporarily put on hold due to operational challenges, have now resumed. Meanwhile, progress for the UK has been encouraging so far, with business on track for a turnaround this year.

The Group remains active in identifying potential acquisition targets. A detailed study conducted in select markets unearthed a number of opportunities in the areas of freight forwarding and logistics that complement our current network. They will be further evaluated in the near future.

IDS continues to place strong emphasis on corporate social responsibility. A Corporate Responsibility function has been established at the corporate level, with Environmental, Health & Safety personnel in place across all countries to develop policies and drive initiatives to promote CSR. We are also in the process of applying for LEED certification for the recent renovation of the new IDS Corporate and Hong Kong offices, which have adopted devices to enhance energy and water efficiencies as well as to improve indoor environment.

Ben CHANG Yew Teck
Group Managing Director

Hong Kong, 12 August 2010

Corporate Governance

Corporate Governance Practices

The Board of Directors and Management are committed to principles of good corporate governance consistent with prudent enhancement and management of shareholder value. These principles emphasize transparency, accountability and an appropriate oversight by Independent Non-executive Directors.

In order to reinforce their respective independence, accountability and responsibility, the role of the Group Chairman is separate from that of the Group Managing Director with their respective responsibilities endorsed by the Board in writing.

The Board has established the Audit Committee, the Compensation Committee and the Nomination Committee (all chaired by Non-executive Directors) with written terms of reference (available to shareholders upon request), which are of no less exacting terms than those set out in the Code on Corporate Governance Practices of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Corporate governance practices adopted by the Company during the six-month period to 30 June 2010 are in line with those practices set out in the Company's 2009 Annual Report.

Audit Committee

The Audit Committee was established with written terms of reference which cover the review of the Group's financial reporting, internal controls and corporate governance issues and to make relevant recommendations to the Board. The Audit Committee comprises three Independent Non-executive Directors, namely Mr. John Estmond STRICKLAND (Chairman of the Committee), Dr. FU Yu Ning and Mr. Andrew TUNG Lieh Cheung, and a Non-executive Director, Mr. LAU Butt Farn. All committee members possess appropriate industry and financial expertise to advice on the above matters.

The Audit Committee met three times to date in 2010 (with an average attendance rate of 91.67%) to review with senior management and the Company's internal and external auditors, the significant internal and external audit findings and financial matters as required under the Committee's terms of reference. The Committee's review covers the audit plans and findings of the internal and external auditors, external auditor's independence, the accounting principles and practices adopted by the Group, Listing Rules and statutory compliance, internal controls, risk management and financial reporting matters (including the interim financial information for the six-month period to 30 June 2010 before recommending them to the Board for approval). The Committee's review also considered the adequacy of resources, qualifications and experience of the staff of the Group's accounting and financial reporting function, and their training programmes and budget.

Compensation Committee

The Compensation Committee was established with written terms of reference which cover the review of the Group's remuneration policy and the approving of the remuneration policy for all Executive Directors and senior management, including the allocation of share options to employees under the Company's Employee Share Option Scheme.

The Committee comprises the Group Non-executive Chairman, Dr. Victor FUNG Kwok King (Chairman of the Committee), Dr. FU Yu Ning and Prof. LEE Hau Leung (Independent Non-executive Directors). The Committee met once to date in 2010 (with an attendance rate of 100%) to review the salary and incentive payout for Executive Directors and senior management.

Nomination Committee

The Nomination Committee was established with written terms of reference which cover the recommendations to the Board on the appointment of Directors, evaluation of board composition and the management of board succession.

The Committee comprises two Independent Non-executive Directors, namely Prof. LEE Hau Leung (Chairman of the Committee) and Mr. Andrew TUNG Lieh Cheung and a Non-executive Director, Mr. Jeremy Paul Egerton HOBBINS. The Nomination Committee met once to date in 2010 (with an attendance rate of 100%) to review the re-appointment of retiring directors at 2010 Annual General Meeting and to assess independence of directors.

Code of Conduct and Business Ethics

Whistle blowing policy, guidelines on business conduct and leaflet of the Group's business ethics policy are made available to the staff in the Company's intranet for quick reference.

Internal Control and Risk Management

The Board assumes the overall responsibility for reviewing the adequacy and integrity of the Group's system of internal controls and risk management through the Audit Committee.

The Board has delegated to executive management the ongoing and effective management of such systems of internal controls covering financial, operational risk management procedures and controls. Qualified personnel throughout the Group maintain and monitor these systems of control on an ongoing basis.

The Group's Internal Audit team within the Corporate Governance and Compliance Division, under the supervision of our Group Chief Compliance Officer, independently reviews such systems of internal controls implemented by management and evaluates their adequacy, effectiveness and compliance, and reports regularly to the Audit Committee under the Three-Year Internal Audit Plan endorsed by the Audit Committee. The Audit Plan is business risk driven and covers all material controls including financial, operational and compliance controls, and risk management functions. The Group Chief Compliance Officer reports all the major findings and recommendations at the Audit Committee meetings. The implementation of all agreed recommendations is being followed up on a three-monthly basis.

Follow up on all recommendations is also performed on a periodical basis to ensure all agreed recommendations had been timely and satisfactorily implemented.

Based on the assessments made by senior management and the Group's Internal Audit team during the six-month period to 30 June 2010, the Audit Committee is satisfied that:

- effective internal controls and accounting systems are in place and function effectively. Such systems are designed to provide reasonable assurance that material assets are protected, business risks attributable to the Group are identified and monitored, material transactions are executed in accordance with management's authorization and the financial statements are reliable for publication.

- there is an ongoing process in place for identifying, evaluating and managing the significant risks faced by the Group.

- the resources, qualifications, experience, training programmes and budget of the staff of the Group's accounting and financial reporting function are adequate.

Compliance with the Model Code of the Listing Rules

The Group has adopted procedures governing Directors' securities transactions in compliance with the Model Code as set out in Appendix 10 of the Listing Rules. Relevant employees who are likely to be in possession of unpublished price-sensitive information of the Group are also subject to compliance with written guidelines on no less exacting terms than the Model Code. Specific written confirmations have been obtained from all Directors and relevant employees to confirm compliance with the Model Code. No incident of non-compliance was noted by the Company during the six-month period to 30 June 2010.

Compliance with the Code on Corporate Governance Practices of the Listing Rules

The Board has reviewed the Company's corporate governance practices and is satisfied that the Company has complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules during the six-month period to 30 June 2010.

Investor Relations and Communication

The Company continues to pursue a proactive policy of promoting investor relations and communications by conducting analysts' briefings and road shows after the interim and final results announcements, participating in investors' conferences and making corporate presentations during the conferences, arranging company visits and facility tours and maintaining regular meetings with institutional shareholders and analysts. Since 2005, webcasts of results presentations at press conference have also been made available at our corporate website at *www.idsgroup.com*.

Other Information

Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 June 2010, the directors and chief executives of the Company and their associates had the following interests in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code"):

(A) Long position in shares and underlying shares of the Company

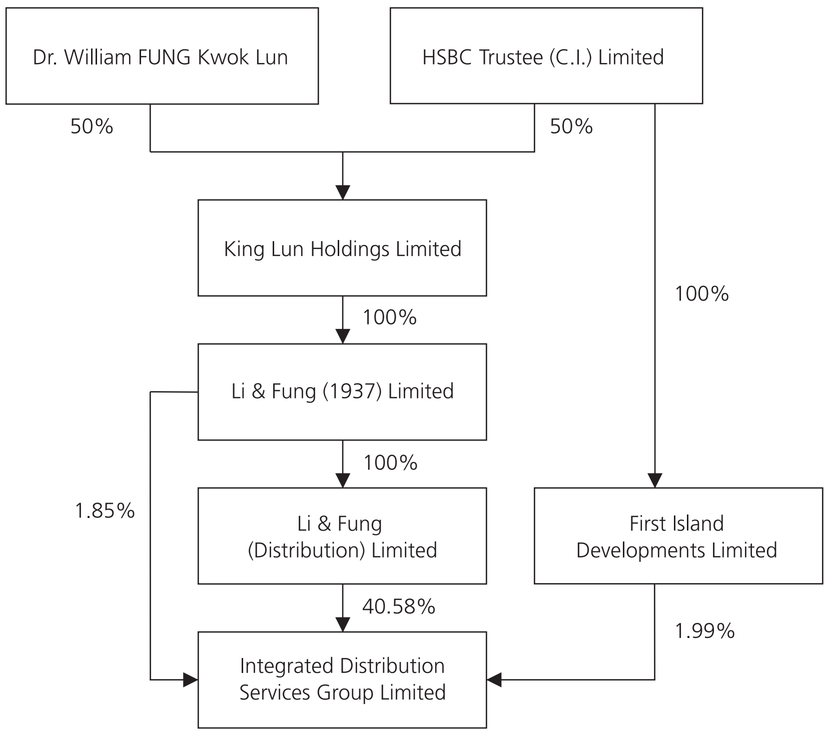
	Number of shares				Number of underlying shares under equity derivatives		Approximate percentage
Name of Directors	Personal interest	Family interest	Corporate/ trust interest	Other interest	(Share Options)	Total interest	of issued share capital (%)
Dr. Victor FUNG Kwok King	2,405,509	–	143,353,661 (Note 1)	–	–	145,759,170	45.16
Dr. William FUNG Kwok Lun	–	–	136,932,371 (Note 1)	–	–	136,932,371	42.43
Benedict CHANG Yew Teck	6,902,573	–	–	697,000 (Note 2a)	6,210,000 (Notes 2b & 2c)	13,809,573	4.27
Joseph Chua PHI	1,114,632	–	–	–	3,600,000	4,714,632	1.46
LAU Butt Farn	610,549	–	–	–	–	610,549	0.18
John Estmond STRICKLAND	–	–	–	22,000 (Note 3)	–	22,000	0.00

Notes:

(1) King Lun Holdings Limited ("King Lun") through its wholly owned subsidiary, Li & Fung (1937) Limited ("LF 1937"), held 100% interest in Li & Fung (Distribution) Limited ("LFD"). LFD held 130,962,364 shares, representing approximately 40.58% of the issued share capital of the Company. LF 1937 held 5,970,007 shares, representing approximately 1.85% of the issued share capital of the Company.

King Lun is owned (a) as to 50% by HSBC Trustee (C.I.) Limited (which also through First Island Developments Limited indirectly held 6,421,290 shares, representing approximately 1.99% of the issued share capital of the Company), the trustee of a trust established for the benefit of the family members of Dr. Victor FUNG Kwok King, and (b) as to 50% by Dr. William FUNG Kwok Lun. Dr. Victor FUNG Kwok King and Dr. William FUNG Kwok Lun were deemed to have interests in these shares through their respective interests in King Lun and indirect interests in LFD and LF 1937 as set out above.

The interests of Dr. Victor FUNG Kwok King and Dr. William FUNG Kwok Lun in the shares of the Company are summarized in the following chart:



(2) These interests represented:

a. Mr. Benedict CHANG Yew Teck and his wife, LEONG Kim Mei, were joint beneficial owners of these shares;

b. the beneficial interest of Mr. Benedict CHANG Yew Teck in 4,110,000 underlying shares deriving from share options granted by the Company to Mr. Benedict CHANG Yew Teck, the details of which are set out in the Share Option Scheme section stated below; and

c. the deemed interest of Mr. Benedict CHANG Yew Teck in 2,100,000 underlying shares deriving from options granted by LF 1937 to Mikenwill Investments Limited ("Mikenwill"), which is owned by Mr. Benedict CHANG Yew Teck, to require LF 1937 to sell to Mikenwill or its nominee 10,500,000 shares in five tranches, with the first tranche, second tranche, third tranche and fourth tranche of 2,100,000 shares each being exercised on 9 January 2007, 17 September 2007, 27 June 2008 and 17 June 2010 respectively, and the fifth tranche having an exercisable period from 1 January 2010 to 31 December 2011 pursuant to a deed given by LF 1937 in favour of Mikenwill dated 5 January 2007 and a Supplemental Deed dated 23 December 2009.

(3) Mr. John Estmond STRICKLAND and his wife, Mrs. Anthea Evadne STRICKLAND, were joint beneficial owners of these shares.

(B) Short position in shares and underlying shares of the Company

By virtue of the SFO, each of Dr. Victor FUNG Kwok King and Dr. William FUNG Kwok Lun was taken as at 30 June 2010 to have short position through LF 1937 in respect of an aggregate of 2,100,000 underlying shares in the Company, representing approximately 0.65% of the total issued shares. Such interest comprised LF 1937's short position in 2,100,000 underlying shares (being regarded as unlisted physically settled equity derivatives) deriving from a deed given by LF 1937 in favour of Mikenwill dated 5 January 2007 and a Supplemental Deed dated 23 December 2009, pursuant to which options were granted by LF 1937 to Mikenwill to require LF 1937 to sell to Mikenwill or its nominee 10,500,000 shares in five tranches, with the first tranche, second tranche, third tranche and fourth tranche of 2,100,000 shares each being exercised on 9 January 2007, 17 September 2007, 27 June 2008 and 17 June 2010 respectively, and the fifth tranche having an exercisable period from 1 January 2010 to 31 December 2011.

Save as disclosed above, as at 30 June 2010, none of the directors and chief executive of the Company or their associates had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

(C) Share Options

The interests of the directors and chief executives in the share options (being regarded as unlisted physically settled equity derivatives) of the Company are detailed in the Share Option Scheme section stated below.

Save as disclosed above, at no time during the period, the directors and chief executives (including their spouse and children under the age of 18) had any interest in, or had been granted, or exercised, any rights to subscribe for shares of the Company or its associated corporations required to be disclosed pursuant to the SFO.

Share Option Scheme

By the written resolutions of the then sole shareholder of the Company dated 4 November 2004 and amended by a committee of the Board on 22 November 2004, the Company had adopted a share option scheme (the "Scheme").

Movements of the share options under the Scheme during the period are as follows:

	Number of Share Options						
	As at 01/01/2010	Exercised	Lapsed	As at 30/06/2010	Exercise price HK$	Grant Date	Exercise period
Benedict CHANG Yew Teck	380,000	380,000	–	–	8.600	16/12/05	01/01/10-31/12/11
	380,000	–	–	380,000	15.100	15/12/06	01/01/09-31/12/10
	380,000	–	–	380,000	15.100	15/12/06	01/01/10-31/12/11
	380,000	–	–	380,000	15.100	15/12/06	01/01/11-31/12/12
	330,000	–	–	330,000	25.550	12/12/07	01/01/10-31/12/11
	330,000	–	–	330,000	25.550	12/12/07	01/01/11-31/12/12
	330,000	–	–	330,000	25.550	12/12/07	01/01/12-31/12/13
	330,000	–	–	330,000	6.640	14/11/08	01/01/11-31/12/12
	330,000	–	–	330,000	6.640	14/11/08	01/01/12-31/12/13
	330,000	–	–	330,000	6.640	14/11/08	01/01/13-31/12/14
	330,000	–	–	330,000	12.776	27/11/09	01/01/12-31/12/13
	330,000	–	–	330,000	12.776	27/11/09	01/01/13-31/12/14
	330,000	–	–	330,000	12.776	27/11/09	01/01/14-31/12/15
Joseph Chua PHI	375,000	–	–	375,000	4.825	14/12/04	01/01/09-31/12/10
	210,000	–	–	210,000	8.600	16/12/05	01/01/09-31/12/10
	210,000	–	–	210,000	8.600	16/12/05	01/01/10-31/12/11
	265,000	–	–	265,000	15.100	15/12/06	01/01/09-31/12/10
	265,000	–	–	265,000	15.100	15/12/06	01/01/10-31/12/11
	265,000	–	–	265,000	15.100	15/12/06	01/01/11-31/12/12
	220,000	–	–	220,000	25.550	12/12/07	01/01/10-31/12/11
	220,000	–	–	220,000	25.550	12/12/07	01/01/11-31/12/12
	220,000	–	–	220,000	25.550	12/12/07	01/01/12-31/12/13
	220,000	–	–	220,000	6.640	14/11/08	01/01/11-31/12/12
	220,000	–	–	220,000	6.640	14/11/08	01/01/12-31/12/13
	220,000	–	–	220,000	6.640	14/11/08	01/01/13-31/12/14
	230,000	–	–	230,000	12.776	27/11/09	01/01/12-31/12/13
	230,000	–	–	230,000	12.776	27/11/09	01/01/13-31/12/14
	230,000	–	–	230,000	12.776	27/11/09	01/01/14-31/12/15

	Number of Share Options						
	As at 01/01/2010	Exercised	Lapsed	As at 30/06/2010	Exercise price HK$	Grant Date	Exercise period
Continuous contract employees	1,143,000	763,000	29,000	351,000	4.825	14/12/04	01/01/09-31/12/10
	594,500	185,000	–	409,500	8.600	16/12/05	01/01/09-31/12/10
	874,000	261,000	–	613,000	8.600	16/12/05	01/01/10-31/12/11
	765,000	–	40,000	725,000	15.100	15/12/06	01/01/09-31/12/10
	765,000	–	40,000	725,000	15.100	15/12/06	01/01/10-31/12/11
	765,000	–	40,000	725,000	15.100	15/12/06	01/01/11-31/12/12
	1,883,000	–	37,000	1,846,000	25.550	12/12/07	01/01/10-31/12/11
	1,883,000	–	37,000	1,846,000	25.550	12/12/07	01/01/11-31/12/12
	1,883,000	–	37,000	1,846,000	25.550	12/12/07	01/01/12-31/12/13
	1,067,000	–	44,000	1,023,000	6.640	14/11/08	01/01/11-31/12/12
	1,067,000	–	44,000	1,023,000	6.640	14/11/08	01/01/12-31/12/13
	1,067,000	–	44,000	1,023,000	6.640	14/11/08	01/01/13-31/12/14
	1,145,000	–	25,000	1,120,000	12.776	27/11/09	01/01/12-31/12/13
	1,145,000	–	25,000	1,120,000	12.776	27/11/09	01/01/13-31/12/14
	1,145,000	–	25,000	1,120,000	12.776	27/11/09	01/01/14-31/12/15

Note: The weighted average closing market price per share immediately before the dates on which the Share Options were exercised was HK$13.23.

Interests and Short Positions of Substantial Shareholders

As at 30 June 2010, other than the interests of the directors or chief executive of the Company as disclosed above, the following persons had interests or short positions in the shares or underlying shares of the Company which fall to be disclosed to the Company under Section 336 of the SFO:

Name of Shareholders	Capacity	Number of shares	Approximate percentage of issued share capital (%)
Long Positions			
Li & Fung (Distribution) Limited	Beneficial owner	130,962,364	40.58
Li & Fung (1937) Limited	Interest of controlled corporation	130,962,364	42.43
	Beneficial owner	5,970,007	
King Lun Holdings Limited	Interest of controlled corporation	136,932,371	42.43
HSBC Trustee (C.I.) Limited	Trustee	143,353,661	44.42
Commonwealth Bank of Australia	Interest of controlled corporation	25,998,000	8.05
Aberdeen Asset Management Plc and its associates (together "the Aberdeen Group") on behalf of accounts managed by the Aberdeen Group	Investment manager	23,230,000	7.19
JPMorgan Chase & Co.	(Note 1)	20,146,000	6.24
Brookside Capital Investors, L.P.	Interest of controlled corporation	15,473,000	4.79

Name of Shareholders	Capacity	Number of shares	Approximate percentage of issued share capital (%)
Short Positions			
Li & Fung (1937) Limited	Beneficial owner	2,100,000 (Note 2)	0.65
King Lun Holdings Limited	Interest of controlled corporation	2,100,000 (Note 2)	0.65
HSBC Trustee (C.I.) Limited	Trustee	2,100,000 (Note 2)	0.65

Notes:

(1) The capacities of JPMorgan Chase & Co. in holding the 20,146,000 shares were, as to 10,628,000 as Investment Manager and as to 9,518,000 shares in the Lending Pool as custodian corporation/approved lending agent.

(2) This short position represents LF 1937's short position in 2,100,000 underlying shares which constituted unlisted physically settled equity derivatives pursuant to arrangement as described in the Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures section stated above.

Save as disclosed above, the Company had not been notified of any interest or short position being held by any substantial shareholder in the shares or underlying shares of the Company as at 30 June 2010.

Changes in Directors' Information

Below are the changes of directors' information since the 2009 Annual Report which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules:

Dr. Victor FUNG Kwok King, Chairman of the Company, retired as an independent non-executive director of CapitaLand Limited in Singapore on 16 April 2010. In public service, Dr. Fung became Honorary Chairman of the International Chamber of Commerce on 1 July 2010 following two years as its Chairman. He was also awarded the Grand Bauhinia Medal by the Hong Kong Government in 2010.

Dr. William FUNG Kwok Lun, a Non-executive Director of the Company, retired as a non-executive director of HSBC Holdings plc. on 28 May 2010.

Mr. John Estmond STRICKLAND, an Independent Non-executive Director of the Company, retired as the chairman and director of Hong Kong Cyberport Management Co Ltd on 5 June 2010.

Purchase, sale or redemption of the Company's listed shares

The Company has not redeemed any of its listed shares during the period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed shares during the period.

Interim Dividend

The Board of Directors has declared an interim dividend of 9 HK cents (equivalent to 1.16 US cents) (2009: 14 HK cents (equivalent to 1.81 US cents)) in cash per share for the six months ended 30 June 2010, which will be payable to shareholders whose names appear on the Register of Members of the Company on 17 September 2010.

Closure of Register of Members

The Register of Members will be closed from 10 September 2010 to 17 September 2010, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Abacus Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 9 September 2010. Dividend warrants will be despatched to shareholders on or about 17 September 2010.

Condensed Consolidated Income Statement

		Unaudited Six months ended 30 June	
	Note	**2010** **US$'000**	2009 US$'000
Revenue	4	**941,538**	846,659
Cost of sales		**(689,786)**	(627,273)
Gross profit		**251,752**	219,386
Other income	5	**–**	600
Distribution and logistics expenses		**(212,066)**	(181,967)
Administrative expenses		**(30,349)**	(29,095)
Core operating profit	6	**9,337**	8,924
Other gains, net	7	**10,473**	15,879
Operating profit	8	**19,810**	24,803
Finance costs, net	9	**(2,517)**	(1,973)
Share of results of associated companies		**49**	26
Profit before taxation		**17,342**	22,856
Taxation	10	**(4,313)**	(3,849)
Profit for the period		**13,029**	19,007
Profit attributable to:			
Shareholders of the Company		**12,430**	18,460
Non-controlling interests		**599**	547
		13,029	19,007
Earnings per share for profit attributable to the shareholders of the Company during the period	11		
Basic		**3.86 US cents**	5.81 US cents
Diluted		**3.82 US cents**	5.76 US cents
Interim dividend	12	**3,758**	5,778

The notes on page 30 to 51 form integral part of this condensed consolidated financial information.

Condensed Consolidated Statement of Comprehensive Income

	Unaudited Six months ended 30 June	
	2010	2009
	US$'000	US$'000
Profit for the period	**13,029**	19,007
Other comprehensive income		
Exchange differences	**721**	1,431
Net asset revaluation gain	**–**	418
Total comprehensive income for the period	**13,750**	20,856
Total comprehensive income for the period attributable to:		
Shareholders of the Company	**12,748**	20,322
Non-controlling interests	**1,002**	534
	13,750	20,856

The notes on page 30 to 51 form integral part of this condensed consolidated financial information.

Condensed Consolidated Statement of Financial Position

	Note	Unaudited 30 June 2010 US$'000	Audited 31 December 2009 US$'000
ASSETS			
Non-current assets			
Intangible assets	13	**89,733**	91,165
Property, plant and equipment	13	**116,673**	107,043
Lease premium for land		**3,426**	6,557
Associated companies		**192**	144
Other non-current assets	14	**11,318**	10,775
Assets under defined benefit plans		**275**	259
Deferred tax assets	17	**13,043**	11,338
		234,660	227,281
Current assets			
Inventories		**246,313**	237,581
Trade and other receivables	14	**310,052**	316,299
Taxation recoverable		**487**	422
Time deposits		**16,064**	12,444
Bank balances and cash		**88,947**	88,485
		661,863	655,231
Total assets		**896,523**	882,512
EQUITY			
Capital and reserves attributable to the Company's shareholders			
Share capital	15	**32,272**	32,113
Reserves		**132,146**	129,592
		164,418	161,705
Non-controlling interests		**10,116**	9,114
Total equity		**174,534**	170,819

Condensed Consolidated Statement of Financial Position (continued)

	Note	Unaudited 30 June 2010 US$'000	Audited 31 December 2009 US$'000
LIABILITIES			
Non-current liabilities			
Bank loans	16	**115,515**	109,183
Obligations under finance leases	16	**1,446**	2,271
Liabilities under defined benefit plans		**5,496**	5,589
Other non-current liabilities	18	**5,776**	7,747
Deferred tax liabilities	17	**4,080**	4,047
		132,313	128,837
Current liabilities			
Trade and other payables	18	**485,704**	513,234
Bank loans and other borrowings	16	**97,276**	61,859
Taxation payable		**6,696**	7,763
		589,676	582,856
Total liabilities		**721,989**	711,693
Total equity and liabilities		**896,523**	882,512
Net current assets		**72,187**	72,375
Total assets less current liabilities		**306,847**	299,656
Net assets value per share		**54.08 US cents**	53.19 US cents

The notes on page 30 to 51 form integral part of this condensed consolidated financial information.

Condensed Consolidated Statement of Changes in Equity

	Unaudited									
	Share capital (note 15) US$'000	Share premium US$'000	Employee share-based compensation reserve US$'000	Merger reserve US$'000	Revaluation reserve US$'000	Exchange reserve US$'000	Retained earnings US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
At 1 January 2009	31,749	26,890	4,953	16,617	–	6,099	48,766	135,074	7,099	142,173
Profit for the period	–	–	–	–	–	–	18,460	18,460	547	19,007
Exchange differences	–	–	–	–	–	1,444	–	1,444	(13)	1,431
Increase in fair value of previously held interest upon step acquisition to a subsidiary	–	–	–	–	418	–	–	418	–	418
Total comprehensive income for the period	–	–	–	–	418	1,444	18,460	20,322	534	20,856
2008 final dividend paid	–	–	–	–	–	–	(9,029)	(9,029)	–	(9,029)
Employee share option benefits										
– cost of employee services	–	–	1,294	–	–	–	–	1,294	–	1,294
– proceeds from shares issued	194	1,197	–	–	–	–	–	1,391	–	1,391
– transfer to share premium	–	271	(271)	–	–	–	–	–	–	–
Step acquisition to a subsidiary	–	–	–	–	–	–	–	–	2,180	2,180
At 30 June 2009	31,943	28,358	5,976	16,617	418	7,543	58,197	149,052	9,813	158,865
At 1 January 2010	**32,113**	**29,922**	**6,984**	**16,578**	**418**	**10,069**	**65,621**	**161,705**	**9,114**	**170,819**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**–**	**12,430**	**12,430**	**599**	**13,029**
Exchange differences	**–**	**–**	**–**	**–**	**–**	**318**	**–**	**318**	**403**	**721**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**–**	**318**	**12,430**	**12,748**	**1,002**	**13,750**
2009 final dividend paid	**–**	**–**	**–**	**–**	**–**	**–**	**(12,448)**	**(12,448)**	**–**	**(12,448)**
Employee share option benefits										
– cost of employee services	**–**	**–**	**1,026**	**–**	**–**	**–**	**–**	**1,026**	**–**	**1,026**
– proceeds from shares issued	**159**	**1,228**	**–**	**–**	**–**	**–**	**–**	**1,387**	**–**	**1,387**
– transfer to share premium	**–**	**296**	**(296)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
At 30 June 2010	**32,272**	**31,446**	**7,714**	**16,578**	**418**	**10,387**	**65,603**	**164,418**	**10,116**	**174,534**

The notes on page 30 to 51 form integral part of this condensed consolidated financial information.

Condensed Consolidated Statement of Cash Flows

	Note	Unaudited Six months ended 30 June **2010** **US$'000**	 2009 US$'000
Cash flow from operating activities			
Cash used in operations	19	**(19,338)**	(11,906)
Interest received		**750**	918
Interest paid		**(3,222)**	(2,891)
Net overseas tax paid		**(7,458)**	(4,645)
Net cash used in operating activities		**(29,268)**	(18,524)
Cash flows from investing activities			
Net decrease in time deposits		**114**	–
Purchase of property, plant and equipment		**(19,916)**	(10,335)
Purchase of intangible assets		**(1,232)**	(1,223)
Sale of plant and equipment		**1,174**	40
Acquisition of subsidiaries		**–**	(2,158)
Proceeds from disposal/partial divestment of an associated company		**10,280**	19,826
Settlement of consideration payable for acquisition of subsidiaries/business		**(633)**	(9,500)
Proceeds from sales of properties		**11,721**	–
Net cash generated from/(used in) investing activities		**1,508**	(3,350)
Net cash used before financing activities		**(27,760)**	(21,874)
Cash flows from financing activities			
Dividends paid		**(12,448)**	(9,029)
Capital element of finance lease payments		**(653)**	(680)
Net proceeds from issue of shares		**1,387**	1,391
New loans raised		**58,336**	27,974
Repayment of loans		**(21,751)**	(8,398)
Net cash generated from financing activities		**24,871**	11,258
Decrease in cash and cash equivalents		**(2,889)**	(10,616)
Cash and cash equivalents at beginning of period		**87,763**	92,203
Effect of foreign exchange rate changes		**2,289**	(1,535)
Cash and cash equivalents at the end of period		**87,163**	80,052
Analysis of balances of cash and cash equivalents:			
Bank balances and cash		**88,947**	57,942
Deposits with maturity less than three months		**16,064**	34,994
Bank overdrafts		**(17,848)**	(12,884)
		87,163	80,052

The notes on page 30 to 51 form integral part of this condensed consolidated financial information.

Notes to Condensed Consolidated Financial Information

1 General information

The Company is a limited liability company incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited. The address of its registered office and other corporate information are set out on page 2 of the interim report.

2 Basis of preparation

This unaudited condensed consolidated financial information has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34: Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

This unaudited condensed consolidated financial information should be read in conjunction with the 2009 annual financial statements.

This interim financial information has been prepared in accordance with those Hong Kong Financial Reporting Standards ("HKFRSs") issued and effective as at the time of preparing this interim financial information.

3 Accounting policies

The accounting policies and methods of computation used in the preparation of this condensed consolidated financial information is consistent with those used in the annual financial statements for the year ended 31 December 2009, except that the following new standards and amendments to standards, which are relevant to the Group, have been adopted for financial year ending 31 December 2010.

HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKFRS 2 (Amendment)	Share-based Payment
HKFRS 3 (Revised)	Business Combinations
HKFRSs (Amendments)	Improvements to HKFRS 2008 and 2009

The adoption of HKAS 27 (Revised), HKFRS 2 (Amendment), HKFRS 3 (Revised) and HKFRSs (Amendments) has no significant impact on the Group's financial statements.

3 Accounting policies (continued)

The following amendments to standards, which are relevant to the Group, have been issued but are not effective for 2010 and have not been early adopted by the Group. Management is currently assessing the impact of these amendments on the Group's financial statements.

HKAS 24 (Revised)	Related Party Disclosures
HKFRS 9	Financial Instruments
HKFRSs (Amendments)	Improvements to HKFRS 2010

4 Revenue and segment information

(a) The Group is principally engaged in the provision of logistics services, the distribution of fast moving consumer goods and healthcare products, and manufacturing. Revenues recognized during the period are as follows:

	Unaudited Six months ended 30 June	
	2010 US$'000	2009 US$'000
Sales of goods	**759,446**	692,037
Rendering of services	**182,092**	154,622
Revenue	**941,538**	846,659

(b) The Group operates in the following geographical areas:

Greater China	–	Hong Kong, China and Taiwan
ASEAN	–	the Philippines, Singapore, Malaysia, Thailand, Indonesia, Brunei and others
USA	–	the United States of America
UK	–	United Kingdom

4 Revenue and segment information (continued)

	Unaudited							
Six months ended 30 June 2010	Greater China US$'000	ASEAN US$'000	USA US$'000	UK US$'000	Total US$'000	Unallocated (note) US$'000	Elimination US$'000	Group total US$'000
Revenue	441,470	451,489	28,240	24,425	945,624	–	(4,086)	941,538
Cost of sales	(326,513)	(357,223)	(5,845)	(4,291)	(693,872)	–	4,086	(689,786)
Gross profit	114,957	94,266	22,395	20,134	251,752	–	–	251,752
Expenses	(99,555)	(80,128)	(32,739)	(20,889)	(233,311)	(9,104)		(242,415)
Core operating profit	15,402	14,138	(10,344)	(755)	18,441	(9,104)		9,337
Other gains	451	–	–	–	451	10,022		10,473
Segment results	15,853	14,138	(10,344)	(755)	18,892	918		19,810
Share of results of associated companies		49			49			49
Finance costs, net								(2,517)
Profit before taxation								17,342
Taxation								(4,313)
Profit for the period								13,029
Depreciation and amortization	3,614	4,622	1,340	889	10,465	1,173		11,638
Capital expenditure	1,593	8,661	6,617	1,107	17,978	4,378		22,356

Note: Unallocated mainly includes corporate costs, common information technology costs and land and buildings which cannot be meaningfully allocated to the geographical segments.

4 Revenue and segment information (continued)

Six months ended 30 June 2009	Greater China US$'000	ASEAN US$'000	USA US$'000	UK US$'000	Total US$'000	Unallocated (note) US$'000	Elimination US$'000	Group total US$'000
	Unaudited							
Revenue	397,290	402,583	28,015	19,122	847,010	–	(351)	846,659
Cost of sales	(300,549)	(325,335)	–	(1,740)	(627,624)	–	351	(627,273)
Gross profit	96,741	77,248	28,015	17,382	219,386	–	–	219,386
Expenses, net	(85,153)	(64,637)	(34,485)	(19,168)	(203,443)	(7,019)		(210,462)
Core operating profit	11,588	12,611	(6,470)	(1,786)	15,943	(7,019)		8,924
Other gains, net	–	–	–	–	–	15,879		15,879
Segment results	11,588	12,611	(6,470)	(1,786)	15,943	8,860		24,803
Share of results of associated companies		26			26			26
Finance costs, net								(1,973)
Profit before taxation								22,856
Taxation								(3,849)
Profit for the period								19,007
Depreciation and amortization	3,134	3,289	1,065	861	8,349	1,190		9,539
Capital expenditure	5,533	3,280	1,108	633	10,554	1,030		11,584
Capital expenditure arising from acquisition of subsidiaries	–	2,609	–	–	2,609	–		2,609

Note: Unallocated mainly includes corporate costs, common information technology costs and land and buildings which cannot be meaningfully allocated to the geographical segments.

4 Revenue and segment information (continued)

At 30 June 2010	Unaudited						
	Greater China US$'000	ASEAN US$'000	USA US$'000	UK US$'000	Total US$'000	Unallocated (note) US$'000	Group total US$'000
Non-current segment assets	**34,826**	**76,593**	**56,017**	**30,393**	**197,829**	**36,831**	**234,660**
Associated companies	**–**	**192**	**–**	**–**	**192**	**–**	**192**
Total assets	**380,395**	**350,452**	**73,952**	**51,849**	**856,648**	**39,875**	**896,523**
Total liabilities	**314,687**	**223,416**	**37,332**	**30,609**	**606,044**	**115,945**	**721,989**

At 31 December 2009	Audited						
	Greater China US$'000	ASEAN US$'000	USA US$'000	UK US$'000	Total US$'000	Unallocated (note) US$'000	Group total US$'000
Non-current segment assets	40,576	71,221	50,814	32,337	194,948	32,333	227,281
Associated companies	–	144	–	–	144	–	144
Total assets	374,149	355,041	67,384	50,622	847,196	35,316	882,512
Total liabilities	311,484	236,893	36,613	36,657	621,647	90,046	711,693

Note: Unallocated mainly includes corporate, common information technology and other assets which cannot be meaningfully allocated to the geographical segments.

4 Revenue and segment information (continued)

	Unaudited					
	Revenue Six months ended 30 June		Segment results Six months ended 30 June		Capital expenditure Six months ended 30 June	
	2010 **US$'000**	2009 US$'000	**2010** **US$'000**	2009 US$'000	**2010** **US$'000**	2009 US$'000
Logistics	**175,930**	149,655	**(3,790)**	(279)	**11,017**	3,606
Distribution	**660,945**	616,717	**15,559**	12,440	**2,185**	7,401
Manufacturing	**114,269**	87,662	**6,672**	3,782	**4,775**	2,151
Unallocated (note)	**–**	–	**(9,104)**	(7,019)	**4,379**	1,035
	951,144	854,034	**9,337**	8,924	**22,356**	14,193
Less: Inter-segment elimination	**(9,606)**	(7,375)				
	941,538	846,659				
Other gains, net			**10,473**	15,879		
Operating profit			**19,810**	24,803		

	Segment assets	
	Unaudited **30 June** **2010** **US$'000**	Audited 31 December 2009 US$'000
Logistics	**241,680**	235,173
Distribution	**513,101**	510,377
Manufacturing	**85,210**	76,866
Unallocated (note)	**56,532**	60,096
	896,523	882,512

Note: Unallocated mainly includes corporate costs, common information technology costs and land and buildings which cannot be meaningfully allocated to the business segments.

5 Other income

There was no other income for the period. In 2009, other income represented dividend income received.

6 Core operating profit

Core operating profit is the recurring profit generated from the Group's business which comprises profit before interest income, finance costs and tax, and excludes material gain or loss which are of capital nature or non-recurring nature (such as gain or loss on disposal or impairment provision of fixed assets or other assets).

7 Other gains, net

	Unaudited Six months ended 30 June	
	2010	2009
	US$'000	US$'000
Gain on disposal/partial divestment of an associated company	**8,500**	16,345
Exchange gain on liquidation of a subsidiary	**1,522**	–
Gain on disposal of property	**451**	–
Gain on acquisition of additional interest in a subsidiary	**–**	34
Other expenses	**–**	(500)
Other gains, net	**10,473**	15,879

8 Operating profit

Operating profit is stated after charging/(crediting) the following:

	Unaudited Six months ended 30 June	
	2010	2009
	US$'000	US$'000
Depreciation of		
Owned property, plant and equipment	**9,363**	7,542
Leased property, plant and equipment	**260**	212
Amortization of intangible assets	**1,942**	1,718
Amortization of prepaid operating lease payment	**73**	67
(Reversal of provision)/provision for impairment losses on trade receivables	**(390)**	59
Provision for obsolete inventories	**95**	986
(Gain)/loss on disposal of plant and equipment	**(68)**	38
Costs of inventories sold	**665,733**	620,563
Exchange gain	**(327)**	(106)

9 Finance costs, net

	Unaudited Six months ended 30 June	
	2010	2009
	US$'000	US$'000
Interest expense on bank loans and overdrafts	**3,107**	2,770
Interest expense on finance leases	**115**	121
Imputed interest on non-current payables	**45**	–
	3,267	2,891
Interest income from bank deposits	**(750)**	(918)
Finance costs, net	**2,517**	1,973

The Group operates cash pooling arrangements in several countries to optimize the net finance cost on gross cash and borrowings by different subsidiaries in the same country. A substantial portion of the interest income and expense stated above relates to such cash pooling arrangements. Accordingly, the finance cost is presented as interest expense net of interest income.

10 Taxation

Hong Kong profits tax has been provided for at the rate of 16.5% on the estimated assessable profits for the period. Taxation on overseas profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries in which the Group operates.

The amount of taxation charged/(credited) to the condensed consolidated income statement for the period represents:

	Unaudited Six months ended 30 June	
	2010 US$'000	2009 US$'000
Current taxation:		
– Hong Kong profits tax	**16**	50
– Overseas taxation	**6,274**	4,037
	6,290	4,087
Deferred taxation:		
– Deferred tax assets	**(1,520)**	2,581
– Deferred tax liabilities	**(457)**	(2,819)
	(1,977)	(238)
Taxation	**4,313**	3,849

11 Earnings per share

Basic

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the period.

	Unaudited Six months ended 30 June	
	2010	2009
Profit attributable to shareholders of the Company (US$'000)	**12,430**	18,460
Weighted average number of ordinary shares in issue (thousands)	**321,643**	317,703
Basic earnings per share (US cents per share)	**3.86**	5.81

11 Earnings per share (continued)

Diluted

Diluted earnings per share is calculated based on the weighted average number of 321,643,000 (2009: 317,703,000) shares in issue during the period plus weighted average number of shares deemed to have been issued at no consideration as set out below:

	Unaudited					
	Six months ended 30 June					
	2010			2009		
	Options	**Consideration (note)**	**Total HK$**	Options	Consideration (note)	Total HK$
Weighted average dilutive share options outstanding during the period						
Granted on 14 December 2004 – vested portion	**1,128,000**	**at HK$4.825**	**5,442,600**	3,784,333	at HK$4.825	18,259,408
Granted on 16 December 2005 – vested portion	**2,123,833**	**at HK$8.6**	**18,264,964**	3,450,218	at HK$8.6	29,671,876
Granted on 14 November 2008						
– vested portion	**2,685,006**	**at HK$6.64**	**17,828,439**	1,087,105	at HK$6.64	7,218,379
– unvested portion	**2,117,994**	**at HK$7.98**	**16,910,115**	3,913,395	at HK$7.97	31,191,596
Total (a)	**8,054,833**		**58,446,118**	12,235,051		86,341,259
Equivalent number of shares at the weighted average market price during the period (b)	**8,054,833**	**at HK$13.10**	**105,518,312**	12,235,051	at HK$9.41	115,131,835
Discount (b) – (a)			**47,072,194**			28,790,576
Equivalent number of shares deemed to have been issued at no consideration			**3,593,297**			3,059,572

Note: In addition to the exercise price of share options, included in the consideration for the unvested portion is the fair value of unvested share options.

	Unaudited	
	Six months ended 30 June	
	2010	2009
Profit attributable to shareholders of the Company (US$'000)	**12,430**	18,460
Weighted average number of ordinary shares in issue (thousands)	**321,643**	317,703
Adjustments for share options (thousands)	**3,593**	3,060
Weighted average number of ordinary shares for diluted earnings per share (thousands)	**325,236**	320,763
Diluted earnings per share (US cents per share)	**3.82**	5.76

12 Interim dividend

	Unaudited Six months ended 30 June	
	2010 **US$'000**	2009 US$'000
Interim dividend – declared after the end of reporting period of 9 HK cents (equivalent to 1.16 US cents) (2009: 14 HK cents (equivalent to 1.81 US cents)) per share	**3,758**	5,778

At a meeting held on 12 August 2010, the directors declared an interim dividend of 9 HK cents (equivalent to 1.16 US cents) per share. The declared dividend is not reflected as a dividend payable in this condensed financial information, but will be reflected as an appropriation of reserve for the year ending 31 December 2010.

13 Intangible assets and property, plant and equipment

	Goodwill US$'000	Customer base and other acquired intangibles US$'000	Software costs US$'000	Total intangible assets US$'000	Property, plant and equipment US$'000
Net book value at 1 January 2010	66,156	7,306	17,703	91,165	107,043
Additions	–	1,208	1,232	2,440	19,916
Disposals	–	–	–	–	(1,892)
Amortization/depreciation charge	–	(370)	(1,572)	(1,942)	(9,623)
Adjustments on contingent consideration	(610)	–	–	(610)	–
Exchange difference	(1,243)	(51)	(26)	(1,320)	1,229
Net book value at 30 June 2010	64,303	8,093	17,337	89,733	116,673

Software costs mainly include internally generated capitalized software development and other costs.

13 Intangible assets and property, plant and equipment (continued)

A segment-level summary of the goodwill allocation is presented below:

	Unaudited 30 June 2010 US$'000	Audited 31 December 2009 US$'000
Greater China	**8,280**	8,310
ASEAN	**1,762**	1,634
USA	**31,736**	31,736
UK	**17,069**	18,294
Others	**5,456**	6,182
	64,303	66,156

14 Trade and other receivables

	Unaudited 30 June 2010 US$'000	Audited 31 December 2009 US$'000
Trade receivables	**235,681**	240,404
Less: provision for impairment of receivables	**(3,616)**	(4,896)
Trade receivables, net (note (a))	**232,065**	235,508
Other receivables, prepayments, and deposits	**80,024**	70,845
Due from related companies (note (b) & note 22)	**9,281**	11,884
Proceeds receivable on disposal of properties	**–**	7,082
Asset held for sale (Investment in an associated company)	**–**	1,755
	321,370	327,074
Less: non-current portion: prepayments and deposits	**(11,318)**	(10,775)
	310,052	316,299

14 Trade and other receivables (continued)

Notes:

(a) The Group normally grants credit terms to its customers ranging from 30 to 90 days. In certain circumstances, longer credit terms are given based on negotiated contract terms. At period/year end, the aging analysis of the Group's trade receivables based on due date was as follows:

	Unaudited 30 June 2010 US$'000	Audited 31 December 2009 US$'000
Current	**163,852**	175,415
Less than 90 days	**59,399**	55,058
91–180 days	**7,031**	3,623
181–360 days	**1,459**	1,142
Over 360 days	**324**	270
	232,065	235,508

The Group has written back US$390,000 (2009: US$59,000 loss) for the impairment of its trade receivables during the six months ended 30 June 2010. The write back has been included in distribution and logistics expenses in the condensed consolidated income statement.

(b) The amounts due from related companies are trade in nature. The trade balances were aged less than 90 days and the credit terms granted to related companies were no more favorable than those granted to other third party customers.

15 Share capital and options

	Number of shares (in thousand)	**US$'000**
Authorized:		
At 1 January 2010 and 30 June 2010, ordinary shares of US$0.1 each	**1,000,000**	**100,000**
Issued and fully paid:		
At 1 January 2010, ordinary shares of US$0.1 each	**321,131**	**32,113**
Exercise of share options	**1,589**	**159**
At 30 June 2010, ordinary shares of US$0.1 each	**322,720**	**32,272**

15 Share capital and options (continued)

Share options

Details of the share option scheme are set out in the 2009 annual report. Movements in the number of share options outstanding and the exercise prices are as follows:

	30 June 2010		31 December 2009	
	Average exercise price HK$ per share	**Share options**	Average exercise price HK$ per share	Share options
At 1 January	**14.823**	**25,281,500**	13.999	25,091,000
Granted	**–**	**–**	12.776	5,115,000
Exercised	**4.825**	**(763,000)**	4.825	(2,474,000)
Exercised	**8.600**	**(826,000)**	8.600	(1,169,500)
Lapsed	**4.825**	**(29,000)**	4.825	(12,000)
Lapsed	**8.600**	**–**	8.600	(201,000)
Lapsed	**15.100**	**(120,000)**	15.100	(600,000)
Lapsed	**25.550**	**(111,000)**	25.550	(312,000)
Lapsed	**6.640**	**(132,000)**	6.640	(156,000)
Lapsed	**12.776**	**(75,000)**	–	–
At 30 June/31 December	**15.386**	**23,225,500**	14.823	25,281,500

Out of 23,225,500 outstanding options (2009: 25,281,500 options), 7,304,500 options were exercisable at 30 June 2010 (2009: 3,732,500 options). Subsequently, 1,635,000 shares have been allotted and issued under the Share Option Scheme up to 12 August 2010.

15 Share capital and options (continued)

Share options (continued)

Share options outstanding at the end of the period/year have the following expiry dates and exercise prices:

		Share options	
Expiry date	**Exercise price HK$ per share**	**30 June 2010**	31 December 2009
31 December 2010	4.825	**726,000**	1,518,000
31 December 2010	8.600	**619,500**	804,500
31 December 2011	8.600	**823,000**	1,464,000
31 December 2010	15.100	**1,370,000**	1,410,000
31 December 2011	15.100	**1,370,000**	1,410,000
31 December 2012	15.100	**1,370,000**	1,410,000
31 December 2011	25.550	**2,396,000**	2,433,000
31 December 2012	25.550	**2,396,000**	2,433,000
31 December 2013	25.550	**2,396,000**	2,433,000
31 December 2012	6.640	**1,573,000**	1,617,000
31 December 2013	6.640	**1,573,000**	1,617,000
31 December 2014	6.640	**1,573,000**	1,617,000
31 December 2013	12.776	**1,680,000**	1,705,000
31 December 2014	12.776	**1,680,000**	1,705,000
31 December 2015	12.776	**1,680,000**	1,705,000
		23,225,500	25,281,500

16 Bank loans and other borrowings

As at period/year end, bank loans, bank overdrafts and other borrowings were repayable as follows:

	Unaudited 30 June 2010 US$'000	Audited 31 December 2009 US$'000
On demand and within one year		
Secured bank overdrafts	**–**	126
Unsecured bank overdrafts	**17,848**	12,926
Secured bank loan	**3,251**	2,532
Unsecured bank loans	**74,771**	44,873
Obligations under finance leases	**1,406**	1,402
	97,276	61,859
In the second to fifth year		
Secured bank loans	**1,412**	1,360
Unsecured bank loans	**114,103**	107,823
In the second to fifth year, by instalments		
Obligations under finance leases	**1,446**	2,271
	214,237	173,313

17 Deferred taxation

Deferred taxation is calculated in full on temporary differences under the liability method.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

18 Trade and other payables

	Unaudited 30 June 2010 US$'000	Audited 31 December 2009 US$'000
Trade payables (note (a))	**364,654**	378,456
Other payables and accruals	**125,243**	140,323
Obligations on pension – defined contribution plans	**1,052**	1,293
Due to related companies (note (b) & note 22)	**531**	909
	491,480	520,981
Less: non-current portion: other payables and accruals	**(5,776)**	(7,747)
	485,704	513,234

Notes:

(a) The aging analysis of the Group's trade payables was as follows:

	Unaudited 30 June 2010 US$'000	Audited 31 December 2009 US$'000
Less than 90 days	**316,781**	311,480
91–180 days	**44,502**	63,209
181–360 days	**2,617**	2,621
Over 360 days	**754**	1,146
	364,654	378,456

(b) The amounts due to related companies are trade in nature. The trade balances were aged less than 90 days and the credit terms granted by related companies were no more favorable than those granted by other third party suppliers.

19 Notes to the condensed consolidated statement of cash flows

Cash used in operations:

	Unaudited Six months ended 30 June	
	2010	2009
	US$'000	US$'000
Operating profit	**19,810**	24,803
Amortization of intangible assets	**1,942**	1,718
Depreciation charge	**9,623**	7,754
Amortization of prepaid operating lease payments	**73**	67
Gain on disposal of property	**(451)**	–
(Gain)/loss on disposal of plant and equipment	**(68)**	38
Gain on disposal/partial divestment of an associated company	**(8,500)**	(16,345)
Exchange gain on liquidation of a subsidiary	**(1,522)**	–
Gain on acquisition	**–**	(34)
Share option expenses	**1,026**	1,294
Operating profit before working capital changes	**21,933**	19,295
(Increase)/decrease in inventories	**(8,647)**	12,499
Increase in trade and other receivables	**(3,643)**	(802)
Decrease in trade and other payables	**(28,981)**	(42,898)
Net cash used in operations	**(19,338)**	(11,906)

20 Contingent liabilities

(a) Bank guarantees

The Group has counter guaranteed the following outstanding bank guarantees issued by banks for normal operations:

	Unaudited 30 June 2010 US$'000	Audited 31 December 2009 US$'000
For purchase of goods in favor of suppliers	**27,705**	23,669
For rental payment in favor of the landlords	**11,772**	10,582
As security in favor of local tax and customs authorities in accordance with local regulations	**8,711**	7,616
Performance bonds and others	**2,533**	1,570
	50,721	43,437

(b) The Company and two of its subsidiaries, IDS USA Inc. and IDS Group Limited, have been included as defendants in certain civil claims in the USA. The management of the Group has reviewed the facts and circumstances and is of the view that the likelihood of the Company and its subsidiaries suffering material loss is low.

21 Commitments

(a) *Capital commitments in respect of:*

	Unaudited 30 June 2010 US$'000	Audited 31 December 2009 US$'000
Property, plant and equipment		
Contracted but not provided for	**3,964**	1,971
Authorized but not contracted for	**428**	9,492
Intangible assets		
Contracted but not provided for	**1,403**	444
Authorized but not contracted for	**46**	248
	5,841	12,155

(b) *Commitments under operating leases*

The Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

	Buildings		Others	
	Unaudited 30 June 2010 US$'000	Audited 31 December 2009 US$'000	Unaudited 30 June 2010 US$'000	Audited 31 December 2009 US$'000
No later than one year	**56,231**	55,934	**1,839**	2,166
Later than one year and no later than five years	**169,234**	176,695	**1,692**	1,647
Later than five years	**65,797**	69,609	**–**	49
	291,262	302,238	**3,531**	3,862

22 Significant related party transactions

	Unaudited Six months ended 30 June	
	2010	2009
	US$'000	US$'000
Income from provision of shipping, handling and other logistics services	**12,044**	9,472
Income from distribution and sales of goods	**971**	815
Rental received from	**301**	637
Rental paid to	**2,853**	2,290
Purchase of bedding related products	**–**	1,179

Related party transactions mainly comprised of the provision of shipping, handling and other logistics services to Li & Fung Limited, subsidiaries of Li & Fung (1937) Limited ("LF 1937") and companies controlled by LF 1937.

The recurring related party transactions were conducted in the normal course of business and on an arm's length basis.

Save as disclosed above and the directors' compensation, the Group had no material related party transactions during the period.

22 Significant related party transactions (continued)

Related party balances

	Note	**Unaudited 30 June 2010 US$'000**	Audited 31 December 2009 US$'000
Due from	(a)		
– related parties		**9,281**	11,804
– associated companies		**–**	80
Due to	(b)		
– related parties		**531**	909

Notes:

(a) Period-end balances mainly arose from sales/services/recharge of administrative expense. The balances are unsecured, interest-free and with terms no more favorable than those granted to third parties.

(b) Period-end balances arose from purchase/recharge of administrative expense. The balances were unsecured, interest free and with terms no more favorable than those granted to third parties.

23 Approval of condensed consolidated financial information

The condensed consolidated financial information was approved for issue by the Board of Directors on 12 August 2010.

Information for Investors

Listing Information

Listing: Hong Kong Stock Exchange
Stock code: 2387

Key Dates

12 August 2010
Announcement of 2010 Interim Results

9 September 2010
Last day to register for 2010 Interim Dividend

10 September 2010 to 17 September 2010
(both dates inclusive)
Closure of Register of Members

17 September 2010
Proposed Payment of 2010 Interim Dividend

Share Registrar & Transfer Offices

Principal:
Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM 08
Bermuda

Hong Kong Branch:
Tricor Abacus Limited
26th Floor, Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

Share Information

Board lot size:1,000 shares

Shares outstanding as at 30 June 2010:
322,719,500 shares

Market Capitalization as at 30 June 2010:
HK$4,376,076,420

Earnings per share (equivalent to) for 2010
Interim 30 HK cents

Dividend per share for 2010
Interim 9 HK cents

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